185, 433, 654

Egypt	MR1
Turkey	MB1
Iraq	MH1
Syria	MD1
Lebanon	ME1
Historical Palestine	MF2

/For an account of the program of industrialization in countries of the Middle East after World War I up to 1945, see 66: Bonné, M1 Middle East, category 116 as follows: Turkey - pp. 274-284, Egypt - pp. 285-286, Iraq - pp. 287-289, Palestine - 289-290, Syria and Lebanon - pp. 290-291./

CROPS AND AGRICULTURE IN JAZIRAH

I. Dry Farming

Dry farming is by far the most important activity of Jazirah. The first tractor and combine were introduced in 1936 by Shahine Bey Maluf of Zahleh. Before that time agriculture was the business of the peasants. The town inhabitants of Jazirah took no interest in it. The area cultivated was restricted to a few kilometers south of the railway line in what is called the Old Villages. The political troubles in 1936-37 and the low prices of wheat and barley before the War did not encourage capitalists inside Syria to invest their money in Jazirah. Furthermore, agricultural machinery was new to most people who did not understand its economics or how to run it.

a. Expansion in the Use of Machinery 1936-1952

The War doubled the price of wheat in its second year. The crop of 1940 was sold for LS 50-55 a ton at Aleppo. The French bought it for LS 120 in 1941. The Office des Cereales Panifiables (O. C. P.) fixed the price at LS 350 in 1943. During these years the dollar was available at the official rate of LS 2. 20 and importation of machinery from the U. S. was possible. The number of tractors increased to about 60 in the winter of 1943.

The crop of 1943 was exceptionally good and the O. C. P. imported some 50 tractors and a similar number of combines which reached Jazirah during the harvest season. The machines were first rented to the farmers and then sold to them. They represented the first large-scale importation of machinery to Jazirah.

Importation of machinery in the following two years became difficult as a result both of limited availability and of dollar shortage. But by the end of the War dollars became again available at the official rate and large numbers of tractors were imported in 1945 and 1946. The importation of agricultural machinery has become a steady and continuous flow in spite of the sharp rise in the dollar rates and the price of wheat, though below 1943, still makes large-scale exploitation profitable. Recently the Government through the Agricultural Bank has helped the farmers import and buy on

407 439 installments some 200 tractors of which the share for Jazirah was 71. This brings the number of tractors and combines to about 400 and 300, 654 452 respectively.

It appears that the present number of tractors and combines fulfills the demands of the Jazirah if no new region such as the Rad is 407 427 opened for cultivation. This is demonstrated by the fall in the rent of agricultural machinery, for whereas rent of the combine cost 33% of the crop in 1936 and between 22-25% from 1940 to 1948, the charge dropped to less than 20% in 1949 and 1950 and to 15% in 1952. This last share leaves a moderate and reasonable profit to the combine owner and it will not be possible for him to reduce prices greatly.

The same is true of tractor rents. The average charge for disc plowing a dunum at present is LS . 90-1. 10 in the region of Qamishli. This is a competitive charge and cannot be much reduced.

Therefore, the conclusionis that the number of agricultural machines in Jazirah is likely to remain stable with importation every year to replace those machines which become obsolete.

b. Expansion in the Area Cultivated

311 The first regions to be tilled by tractors in Jazirah were Qamishli Amuda and Dirbassiya. When no more lands were available around them farmers after 1946 went east to Tal Koshak on the border of Iraq.

After 1949 all the region from Tal Koshak to Dirbassiya became cultivated and farmers had to move to less productive areas around the Rad, south of Tel Brak, and in Ras el Rin. At the present time, taking Tal Koshak on the east and 30 kilometers west of Dirbassiya as the western boundary and south to the Rad and to Hassakeh, there is not a single patch uncultivated on a two year basis. In the first two years the region between Ras el Ain and Rakka was opened for cultivation by Asfar and Najjar family. This year the first crop grown on lands midway between the two towns appeared. The yield of barley was 5 to 6 times the amount planted. Around Qamishli the barley yield was 10 to 12.

311 491 The region of Deirik and Ain Divar or Jasiratibn Amr was long neglected despite its fertility because of impossible communications. No roads existed and the abundant rainfall stopped all transport for six months of the year. Within the last two years the Government

has started the construction of a road which is not yet finished, but which permits trucks to reach Deirik in all seasons. Farmers flowed into the region following the opening of the road and began populating it. The present Minister of National Economy, Munir Diab, and Mr. Amin Nazif, formerly Secretary General of the Ministry of agriculture, own lands in the region.

c. Volume of Seeds and Crops

The main dry farming crop in Jazirah is wheat with "black" barley a poor second. It is estimated that about 50-60,000 tons of wheat are planted every year and some five thousand tons of barley. The average yield of wheat is 6-7 times per unit planted which gives a yearly crop of some 350-400,000 tons, of this quantity, 85-100,000 tons are needed for local consumption and for seed. This leaves about 250-300,000 tons available for export in an average year. Calculating this quantity at the price of LS 170 in the field free of all expenses, it means a revenue of LS 51 million per year to Jazirah with seeds and provisions already accounted for or about LS 250 per capita.

d. Difficulties in the Way of Agricultural Development

Agriculture in Jazirah suffers from many obstacles and hindrances which the Government can remedy with some careful thought and planning. The difficulties connected with land ownership and tenure and with credit and transport will be discussed separately, but other obstacles will be mentioned here below:

1. There is no agricultural station in the important wheat growing centers of Jazirah to record the amount of rainfall and the mean temperatures to guide the farmers.

2. The Jazirah is subject in most years to a heat wave during the month of May which destroys 25-35% of the crop. The only remedy is to introduce strains of wheat which mature before the period of the heat wave. Although the problem and the remedy are known to the Government, no effort has yet been made either to import new

165 654 strains or to cultivate them in the Government stations in Syria.

435 651 185 654 3. The price of fuel is a major obstacle to agriculture and to the possibility of competing on the world market. While the price of a ton of mazut in the Euphrates area in Iraq is LS 21 its price in Kamishli is LS 175, i.e., more than eight times as much. The same is true to a lesser degree of the price of gasoline and kerosene due to excessive Government taxation. The Government used to refund to farmers a part of the taxes on gasoline and kerosene used in agricultural machinery, but it has recently abolished even this meager help.

407 435 4. The sale of agricultural machinery and especially of its spare parts needs supervision. Agents deliberately create scarcities during the period of greatest need so as to get the highest prices possible.

435 469 5. The system of transport from the combine to the stations needs complete revision. At the present time, farmers are obliged to use jute bags on the combines to fill with wheat. The bag is bought for LS 2 but is sold as wheat in Aleppo. Since the bag weighs 1.25 kilograms and the price of a kilogram of wheat is 26 piasters, the farmer gets less than 30 piasters for every 200 he invests in a bag. This means a loss of LS 14 per ton, without counting all the extra expense of handling on the combine, then on to the truck, then to the railway station, then on the railway and, lastly, discharging at Aleppo Station, then transporting by truck to the merchant's store. All this handling, necessitated by the use of jute bags is paid by the farmer to the amount of LS 4 per ton. Added to the loss on the bag it makes a total loss of LS 15. All this could be saved if transport could be so organized as to eliminate the need for jute bags.

435 656 6. The fluctuation and uncertainty of prices is a major obstacle to the continued progress of agriculture in Jazirah. The farmer who plants his seeds in October does not know whether he will sell his crop in July for ten piasters a kilo or for thirty. He lacks information on world prices and merchants take advantage of that and of the fact that he is constantly in need of money to buy a major share of the crop at low prices. But even if the farmer were informed about world markets, Government regulations constantly hamper the free opera-

Irrigation by pump started with the rice boom in 1945 and expanded with the cotton boom of 1951. It was hit severly by the crop failure of last year and the flood of this spring, and the future of the Khabur appears dim. This is because as previously mentioned, the original amount of capital used to construct a fair sized project is large, amounting to about LS 150-200 thousand. Such a project can irrigate with two 10-inch pumps or their equivalent about 2, 500 dunums of summer crops and double the area in wheat and barley. The project will have one main canal 1 1/2-3 1/3 meters higher than ground level made entirely of earth or lined with cement to carry the water a distance of 1-3 kilometers depending on the lay of the ground, several subsidisary canals, buildings for the motors, the agricultural machinery, and the laborers.

Evidently, in order to get the best returns on the capital invested, the farmer needs to exploit to the utmost the capacity of his pumps, otherwise he will be leaving his capital idle. In this case, he will need to cultivate, on a rotation basis, 2, 500 dunums of summer crops and 5, 000 dunums of wheat and barley. But on most of the irrigation projects of the size mentioned, the area of the lands which can be irrigated is less than 1, 500 dunums in all. The surrounding lands are all higher than the main leading canal and can not be reached except by a much greater outlay of capital. This means that the farmer has to extract from an area of 1, 500 dunums, of which one-third lies fallow every year, enough profit in five to eight years, which is the average duration of the lease, to compensate him for his yearly efforts, to pay interest on the capital and to regain his investment. This should mean a net annual profit of about 45, 000 LS or LS 45 per dunum, and experience has proved that it can not be done.

The alterntive to pump irrigation on the Khabur is irrigation by gravity in works similar to that of Tal Mughass. And the Khabur lends itself in many places to such project. Mr. Delbes, agricultural advisor to Syria during the French Mandate, knows at least of three projects studied by the French High Commissariat, to build dams and derivation canals between Ras el Ain and Hassakeh. The largest one among them is to carry the water west to the region of Jabal Abdel Aziz and irrigate a very large area.

Another dam site studied by the French is at Sab'Skour. Further south in the region of Fadghami a site was selected to store the

312 654 flood waters and distribute them in summer. All these studies, and it is not known how detailed they are, are believed to be kept at the French Legation in Beirut.

Such projects cost a lot of money, and Syria may not be able to construct them for many years. A quicker and less expensive policy is to combine elements from the system of irrigation by pumps and the system of gravity irrigation. This is the policy followed in Egypt, to dig canals conveying water from the river to areas ten or more kilometers removed and ten to twenty meters higher than the water level. Such dirt canals can be dug cheaply by modern machinery, and the farmers will then be authorized to install pumps on the canals. Since the greatest cost of an irrigation project is the construction of the main canal above the ground level, the method recommended removes the need for the elevated canals and the farmer can install his pump directly on the land to be irrigated. In this way, the farmer is spared also the loss due to evaporation and absorption on the elevated canal.

This is the quickest method to expand irrigated agriculture along the Khabur, and it may also prove in the long run cheaper to the country and the farmer than the elaborate dams and derivation canals contemplated by the Government. Such a conclusion needs, of course, more detailed engineering studies and comparison of costs before it becomes final.

III. The Problem of Monoculture

243 Wheat and barley are by far the main crops of the Jazirah and with the exception of the Khabur valley, they are practically the only crops. What the irrigated lands of Kubur el Bid and Qamishli produce in summer crops does not compare in quantity or in value with the wheat crop.

243 571 For this reason, Jazirah suffers from all the defects of monoculture. When the wheat crop is good and the prices are high land values increase, the farmers are enabled to pay most of their debts and to raise their standard of living by building better residences, buying furniture, making more trips with their families to the interior cities of Syria and Lebanon, sending their children to schools in Aleppo and Beirut, and increasing their welfare in general. But

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[For recommendations by an International Bank Mission on a program of long-term development of Syrian resources and specific measures to be undertaken by the government, see category 116, pp. 27-209.]

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community has been "investment conscious" and has engaged in little conspicuous spending except perhaps for housing.

Predominance of Private Enterprise

A characteristic feature of Syria's rapid economic development is that it has been almost wholly due to private enterprise. In spite of frequent changes in government, private enterprise has retained a buoyant outlook and continued to expand. Manufacturing industry developed with little or no government support, except that in recent years the government has provided some financial assistance and considerable protection against foreign competition. Although the government has slowly increased its services to agriculture and may be said to have contributed to its expansion by interposing no bars to the occupation and cultivation of new land, it did not play a significant role in the great increase in output. Even the development of irrigation has been left primarily to private enterprise, which has extended the irrigated area by sinking wells and, above all, by installing pumps on river banks. Thus only 48,000 hectares are irrigated by government schemes, whereas 250,000 hectares are irrigated by privately installed pumps. In the field of transport, as already indicated, private motor carriers have assumed the burden of increased traffic despite poor public roads.

The most significant, though indirect, contribution made by the government to development has been in the field of education. Increased outlays on education account for almost half of the total postwar expansion in non-defense ordinary budget expenditures, which rose from an actual total of £S 70.9 million in 1945 to an estimated figure of £S 125 million in 1954. During this period the number of schools and pupils more than doubled. The literacy rate has probably been lifted to around 40%, which compares favorably with most Arab countries. In the field of communications the government has been active, notably in the development of the port of Latakia and in the expansion and improvement of the telephone network.

The Syrian economy has now probably reached a stage in its development at which the government must undertake a more important promotional role. It is unlikely that in the future private enterprise will be able to maintain, unaided, the past rate of expansion. The amount of idle land that can be put to the plow without significant investment has

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654 severely diminished, and agricultural prices no longer afford such a power-
133 ful stimulus to the expansion of acreage. Extension of the irrigated area
311 must depend increasingly on public investment, particularly since the area which can be economically irrigated by privately installed pumps cannot be greatly expanded.

654 High transport costs and the low quality of grain are becoming serious
433 handicaps to Syria in an increasingly competitive world grain market. In other sectors economic activity seems also to be slackening. The future growth of industry is likely to be less rapid now that the more obvious manufacturing industries have been established. In construction it is also quite possible that the postwar boom has passed or will shortly pass its peak. Thus in the absence of a well-considered government program to stimulate the economy, the rapid increase in production and private investment may well taper off.

654 In agriculture the government now faces the need to make a careful
241 inventory of remaining land resources, to carry out irrigation projects on a greatly increased scale and to initiate settlement schemes for state lands. Steps must be taken to maintain and stimulate Syria's grain exports by providing better and cheaper transport and establishing facilities for the storage, grading and cleaning of cereals, thereby reducing losses and improving quality. In the future more emphasis will need to be placed on raising agricultural and livestock yields. The government will have to stimulate farmers to use better seeds and implements and to improve their crop rotation in the direction of soil-building crops and greater diversification. Livestock yields must be raised by undertaking a program of selection and cross-breeding, by building livestock shelters and providing more water for migrating livestock, and by initiating a more effective campaign against pests and diseases. To achieve these objectives the government must also expand and improve agricultural education, make available extension services at the village level and furnish much more agricultural credit on reasonable terms. Special efforts are required to assist the small peasant proprietor and the tenant who have not in the past fully shared in the rising prosperity. They must be helped to achieve greater economic independence and security and enabled to acquire the means of production with which to increase their incomes.

654 Although further expansion in industry should prove possible, greater
433 emphasis will have to be placed on selective expansion and on increasing efficiency so as to lower prices and broaden the market. Here the govern-

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ment will need to help private enterprise achieve these goals by collaborating, for instance, in the establishment of an institution to furnish technical and financial assistance, revising policies for the protection of industry from foreign competition and working towards the creation of a larger market for manufactured products, particularly through an intensification of economic cooperation among Arab countries.

To service the economy new and better roads and a larger supply of electric power are clearly necessary. Both of these call for a substantial increase in public investment. Transport is the most important bottleneck in the economy today; the acute shortage of power in major centers such as Aleppo and Damascus is already receiving government attention.

While expansion of the production base of the economy is the paramount task of the future, education, public health and the social services will also make greater claims on the government's resources. A further extension of educational facilities is undoubtedly necessary, but at the same time more stress must be placed on improving the quality and content of education. The condition of public health still leaves much to be desired. While the most urgent deficiencies in hospital accommodations must be remedied, the most pressing need is to concentrate increasingly on the prevention of disease by such measures as an anti-malarial campaign, improvements in sanitation and provision of pure water supplies. A marked and general improvement in housing conditions is likely to result only from a substantial increase in production and improvement of living standards but the government should at least assist the larger municipalities to initiate a program to cope with the worst conditions of housing congestion, a by-product of rapid but uneven economic growth.

A program of this type, which we shall elaborate in subsequent chapters of this report, should lay the foundation for a renewed and continued economic advance. It will serve not simply to compensate for a possible slackening of private investment but above all to create ultimately increased opportunities for greater private investment and enterprise which will expand production and raise standards of living.

The government has become increasingly aware of the task that lies ahead. Its request for an International Bank mission to work out recommendations for development testifies in part to its concern. It realizes that despite the economic progress of the past, the country cannot be satisfied with the current state of development and the standard of living it sustains. National income is still only around £S 440 per capita. Moreover,

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511 with the wide disparities in income, the great majority of people have an income substantially under this average. The bulk of the rural population remains impoverished and does not share adequately in the fruits of its toil. In the urban areas many people earn only a bare livelihood and live in wretched, overcrowded conditions. In industry the daily wage of unskilled labor is no more than £S 3 to £S 4. In the future, therefore, the aim should be not simply to raise production and national income but to ensure that all elements in the population share equitably in the benefits of economic development.

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TABLE 5 Expenditures on Irrigation and Reclamation, 1950–60

(Thousand £S)

	Past outlays			Future outlays	
	1950–52 average	1953 estimate	1954 estimate	1955–60 total	Annual average
Projects—total	2,360[a]	3,130[a]	3,380[a]	197,000	32,833
Completion of works	—	—	—	9,000	1,500
Ghab	—	—	—	102,000[b]	17,000
Other new works	—	—	—	83,000	13,833
Euphrates valley studies	—	—	—	3,000	500
Maintenance	113	205	350	3,000	500
Research and demonstration	—	—	—	1,200	200
Grand total	2,481	3,335	3,730	201,200	33,533

[a] Budgetary and extrabudgetary expenditures. The 1954 total excludes an £S 5 million authorization for the Ghab of which probably only a negligible portion was spent.
[b] After allowance for receipts from sale of land and water.

III LAND POLICIES AND LAND SETTLEMENT[a]

A fuller knowledge of the available land resources is essential not only to plan better utilization of land already under exploitation, but also to determine how much land remains for expansion of cultivation and what must be done to make it productive. Even the existing pattern of land utilization is hardly known. Data on the total cultivated area, on the acreage planted to individual crops and on production are at best only rough estimates which are often quite wide of the mark. Little is known as yet about various types of soils, their deficiencies and potentialities. Widely varying opinions are expressed regarding the area which can still be put to the plow or can be irrigated by gravity flow.

Aerial Survey Program

Aerial photography can be of great assistance in planning land utilization and public works of importance to agriculture. Up to the present it

[a] See Annex E, p. 351.

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311 has been used in Syria to obtain topographic data necessary for certain 654 irrigation projects and, in formulating an accelerated program for a cadastral survey of the Jezireh in 1952, the government provided for a photographic survey of this entire region. An aerial survey of all of Syria except waste desert areas would no doubt be desirable, but the mission realizes that financial considerations make a more limited objective necessary. For the period ending in 1960 the mission suggests accordingly that the following areas be surveyed (see Map 5):

1. An area of about 2,250 square kilometers in the provinces of Latakia and Aleppo.

   The purpose would be to facilitate (1) a delimitation and assessment of the forest area in Latakia which constitutes the most important timber resource of the country, (2) the location of an appropriate dam site on the Nahr el Kebir, and (3) the planning of irrigation for the Roudj.

   For nearly the entire area mapping on a scale of 1:20,000 with 5-meter contours would be sufficient, but for the Roudj and the area of the dam site mapping at 1:5,000 with 1-meter contours would be necessary.

2. An area of approximately 7,000 square kilometers east of the Aleppo-Hama-Homs-Damascus highway.

   Here the object would be to determine what part of this area might be still available for cultivation. At present conflicting opinions are held regarding the potentialities of the area.

   Aerial photography, coupled with the preparation of a controlled photomosaic, would suffice.

3. An area of about 4,600 square kilometers north of Raqqa and extending to the Turkish frontier.

   This area is also claimed to contain much unutilized but cultivable land. Aerial photography would permit a rapid delimitation and analysis of the area in relation to the land already under cultivation.

4. An area of approximately 6,000 square kilometers in the Euphrates valley region, comprising the Raqqa and Resafe plains and extending to the Halibiye-Zalebiye gorge.

   This survey, as already indicated, is an essential part of the planning work for the irrigation system dependent on the projected Youssef Pasha reservoir.

   Mapping at a scale of 1:20,000 with 2-meter contours would suffice for

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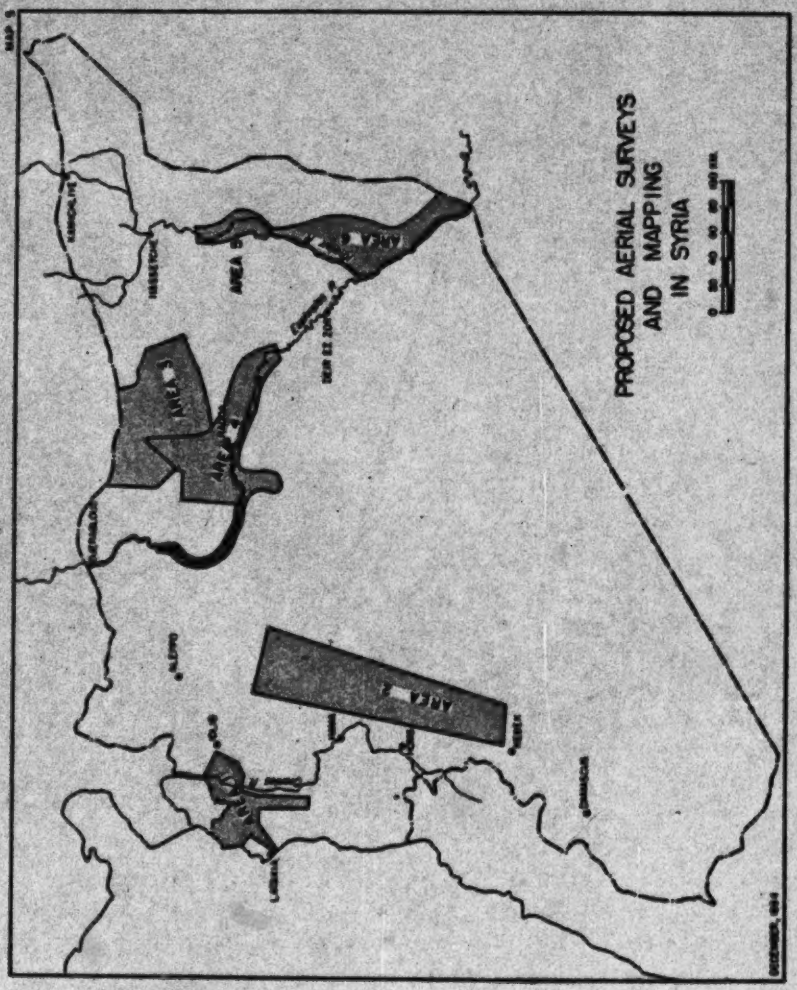

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most of the region; a scale of 1:10,000 with 2-meter contours for a narrow band running along the Euphrates; and a scale of 1:5,000 with identical contours for the area immediately around the gorge.

5. An area of about 970 square kilometers in the Khabour river valley upstream from Markada.

Aerial photography is already covered by an existing contract. Mapping is necessary to facilitate irrigation planning and to investigate the possibility of a dam at Markada. Mapping on a scale of 1:20,000 with 2-meter contours would be sufficient except for the proposed dam site where the scale would need to be 1:5,000.

6. An area of some 3,400 square kilometers on the left banks of the Khabour and Euphrates rivers.

Mapping of this area on a scale of 1:20,000 with 2-meter contours appears necessary to determine the possibilities of gravity irrigation and to expedite needed soil surveys.

These surveys, which together would cost approximately £S 4 million, would cover most of the land potentially available for cultivation and the greater part of the irrigable area.

Soil Surveys

The aerial reconnaissance the mission has suggested would greatly expedite the soil survey already started under the direction of an FAO specialist. Soils can be classified into broad types on the basis of aerial photographs. With additional work on the ground it is possible to proceed to more detailed agrogeological soil mapping, which is necessary to determine how the land already under cultivation can better be employed and how land still unoccupied can best be utilized. This type of mapping is now being undertaken for the Jezireh as an adjunct to the cadastral survey. While all the detailed soil mapping required can obviously not be completed in a few years, the mission urges that the present soil survey be expedited and broadened. A soils department with a budget of £S 60,000 for 1954 has been established in the Ministry of Agriculture. Its budget will have to be raised to at least £S 100,000. The work on soils should concentrate primarily on areas which will or can be opened to settlement such as the Ghab, the Roudj and certain rainfed regions. From

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time to time, however, spot analysis will also be required to carry out special programs to improve soil fertility.

Cadastral Survey

Aerial photography should assist considerably in accelerating the cadastral survey work which was first initiated in 1923 but was still only 45% completed by the beginning of 1953. It is clearly in Syria's interest to finish the cadaster as soon as possible so that the uncertainty surrounding private property rights may be ended at long last and the extent of state domain may be clearly determined. Similarly, it is necessary to expedite the lagging program for converting *mucha'a* or village common land to individual peasant ownership. Experience with the accelerated survey for the Jezireh indicates the need for additional measures to speed up the work. This survey, originally scheduled for completion in the spring of 1955, is now unlikely to be finished before the end of 1956. Insufficient funds, shortages of trained personnel and cumbersome procedures have all contributed to delay this vital survey work. The mission urges that all possible measures to expedite the program be taken. Among the measures that might be considered are the contracting of necessary ground surveys to qualified private firms; the delimitation of properties in certain areas solely by means of aerial photographs rather than by ground surveys; and the possibility of shortcuts in the protracted legal procedures involved in the determination of titles.

State Domain

The aerial, cadastral and soil surveys outlined above will for the first time provide the government with approximately accurate information on the area and quality of state domain. At present the government claims ownership of 1,417,571 hectares of allegedly cultivable land of which 551,473 are leased for cultivation. This total, however, excludes the unoccupied or "dead" land (*mawat*) which was assimilated to state domain by Legislative Decree No. 135 of October 29, 1952. Nor does it include the land which may be "recaptured" by the state under other provisions of the same decree. For instance, this decree specified that prior occupation of land which had not yet been sanctioned by the acquisition of title would be recognized only up to 200 hectares per member of the occupier's

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Veterinary Services[16]

Syria is fortunate in being free of the major animal plagues, but such controllable conditions as helminthiasis and the pox diseases are allowed to take a heavy annual toll of sheep and goats, while Newcastle disease in poultry rages almost unchecked over the greater part of the country, in spite of the fact that the laboratory in Damascus can produce an almost unlimited supply of a completely efficacious freeze-dried vaccine at an exceedingly low cost.

It is true that until relatively recently difficulty was experienced in producing locally a satisfactory vaccine for the control of sheep-pox but these difficulties have now been overcome by the loan of FAO personnel; production capacity for sheep-pox vaccine is now sufficient for the annual vaccination of the entire sheep population.

A rising incidence of brucellosis and tuberculosis in cattle, particularly in the urban and suburban dairying herds, may give rise to serious losses unless checked in an early stage. The services of the expert in field diagnosis provided by FAO should be especially valuable in this connection.

The Veterinary Department of the Ministry of Agriculture employs some 16 veterinarians, of whom five have been trained in Europe, four in Turkey, and seven in Egypt. Of the 16, two are at Headquarters in Damascus, four at the school for veterinary assistants, one at the laboratory in Damascus, and nine at field stations. There are said to be about 10 training as veterinarians in Europe, America and Egypt. Experience elsewhere suggests that a fully-qualified professional staff of the present size, strengthened gradually by the accession of young graduates returning from overseas training, ought to provide disease control services adequate for Syria's needs during the next few years, particularly if full use is made of the veterinary assistants trained in the technical school at Damascus.

If the mission's proposals for a program of livestock improvement are adopted, animal diseases will assume a greater importance, since the improved stock is likely to be less tolerant than the low-producing Balady types. More emphasis will then have to be placed on disease control services, and the cadre of veterinarians in government employ will need to be enlarged.

At the present stage, indeed at any stage, quality is undoubtedly much more important than numbers. Professional qualifications of the present

[16] See Annex C, p. 315.

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staff vary a great deal in standard, and an effort should be made to ensure that staff for replacement and further recruitment is trained to the highest professional standards overseas. The Department should review the position, scrutinize the academic careers of students now abroad, and offer scholarships for short periods, say one year, of postgraduate training in some particular field of activity that will be useful to the government on the candidate's return. This postgraduate training should be entirely practical and the scholar should not be allowed to utilize it mainly for the purpose of obtaining a further degree. Experience in the field, either in government service or in private practice, in some country of similar climatic and stock-raising conditions, but with a much more advanced livestock industry and a highly developed state veterinary service, would be the ideal type of training for such men. FAO would no doubt be able to arrange to place these men in countries suited to the purpose and might even be prepared to offer fellowships, upon condition that the recipient will return to government employment in Syria. The laboratory staff needs relatively little reinforcement at the professional level for the moment. The posting of one additional veterinarian with some overseas laboratory experience would be sufficient; it would be useful if this were done while the FAO experts are at the laboratory to pass on their practical experience.

The technical school for veterinary assistants in Damascus has been giving a two-year course of training in Arabic; it is likely that the course will be lengthened to three years. The school should turn out highly trained assistants whose employment in the Department should enable each government veterinarian considerably to extend his coverage in terms of both numbers of animals and territorial area.

Communications are generally poor and the inadequacy of transport has apparently been one of the greatest handicaps of the field service. It is essential that jeeps or pick-ups should be available in sufficient numbers to enable the veterinarian and his assistants to get round the district, to respond promptly to reports of outbreaks of disease and requests for assistance, and to perform systematic mass-vaccinations where appropriate. Government-owned transport is often unduly costly and inefficiently maintained; if this is true in Syria, consideration might be given to the hiring of transport on a contract basis or to payment of mileage to an officer providing his own transport.

The entire budget allocation for veterinary services in 1954 was £S 188,000, or approximately £S 11,750 for each veterinarian in the

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Department, to cover all charges incidental to his activities, including the salaries of assistants and laborers, the provision of drugs, instruments and laboratory supplies, feed of animals, preparation of vaccines and sera. It is obvious that in relation to the environment the salaries paid to veterinarians are insufficient to attract and hold properly qualified intelligent men, and that the sum available to meet other expenses must be so inadequate that the professional man's abilities cannot be utilized to anything like their full extent. As a consequence in many cases there is a tendency to supplement the government income from commercial sources and eventually to regard the government post as part-time employment.

The mission recommends that an additional £S 1.2 million be made available up to the end of 1960 to defray the cost of a veterinary service, improved and expanded on the lines that are broadly indicated here and in Annex C. It is strongly recommended that a small committee, to which the FAO veterinarians should be coopted, be appointed to consider methods of improving the service, with particular attention to salaries, better communications and transport, assistance adequate to permit of the carrying out of mass-vaccination campaigns against Newcastle disease of poultry, sheep-pox, and the control of helminths, etc., along the lines indicated in Annex C. Alternatively, the government might prefer to seek the services of an experienced veterinary administrator to inquire into these matters and make recommendations. Such an inquiry need not take more than perhaps three months. Staff meetings should be arranged and it would be a great advantage to hold at least one joint staff meeting with the services in Lebanon and Jordan. The measures should raise the morale of the service, which at present is regrettably low.

Breeding

The development of higher yielding types of livestock through selection and cross-breeding would be a great boon, assuming that it could be accomplished without sacrificing the hardiness under unfavorable conditions which much of the livestock in Syria has acquired, or that a parallel improvement were made in the environment of the animals. There are certain promising indigenous types which could be used as the starting point of a program to improve breeds. Among these are the Damascus dairy cow, the Julani beef cattle and the Damascus milk goat. Most of the sheep and goats are multi-purpose animals, raised for meat, milk,

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wool or hair. Existing poultry breeds are largely nondescript and are characterized by very low productivity.

To carry out experiments in breeding and animal husbandry, the government should push on with its program to establish a central livestock station near Damascus.[17] Within a few years two sub-stations might also be opened at Palmyra and Deir ez Zor, or at Hama, Selemiye or Raqqa. There is unfortunately a shortage of Syrians trained in such work, and at the outset it would probably be necessary to employ a foreign farm manager. A minimum of £S 1.2 million will be needed over the next five or six years to meet the necessary costs.

For sheep, the aim should be to develop a more productive animal, and to test the feasibility of breeding more specialized types by successive top-crossing of selected indigenous animals with such imported breeds as Merinos and Merino-Fleisch. For cattle, the task would be to improve the existing Julani and Damascus types by progressive selection and perhaps by a certain amount of crossing with such imported pure breeds as Brown Swiss. In the case of poultry, which is so important to the small farmer, there might be a gradual introduction of exotic blood by the issue to farmers of cockerels of the chosen exotic breeds, raised in the government breeding farm. In this breeding program great care will have to be taken to maintain adequate records on the production and hardiness of successive generations. It will also have to be accompanied by good animal husbandry to bring out the full potentialities of each genetic strain.

VI CREDIT, COOPERATIVES, EDUCATION AND MARKETING

Agricultural Credit

An adequate volume of credit on reasonable terms is in many respects the key to an improvement in agriculture and animal husbandry. Farmers must have the means to buy better tools, livestock and seed and to introduce new crops. If settled on new land they must be provided with housing and the capital necessary to start production. Both peasant proprietors and tenant farmers must be helped to emancipate themselves gradually from excessive reliance on non-institutional lenders such as landlords and

[17] See Annex C, p. 312.

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656 435 A final comment must be made on price stabilization operations. At times in the past the government has intervened in the marketing of cereals in order to support the price or to protect the home market from the consequences of threatened shortages and excessive prices. Through the Cereals Office and its predecessor agencies it has engaged in buying and selling grain, and occasionally it has resorted to export prohibitions to safeguard domestic supplies. Under emergency conditions when the world supply of cereals is short, as in time of war or threat of war, such measures may be justified. Normally, however, it is better to allow the market forces free play. The history of government intervention in the market demonstrates that the government has often acted on the basis of information which subsequently proved erroneous in whole or in part. Frequently information on impending government measures has leaked out, giving windfall profits to privileged speculators. Above all, it is impossible in the long run to insulate the Syrian grain market from the world market. If there is a shortage in Syria and prices rise, some merchants will quickly seize the opportunity to import grain, and if world market prices decline, Syrian prices will inevitably have to follow if exports are not to be lost. On the whole it would be far better for the government to concentrate on the task of improving its crop statistics and to publish frequent and more reliable information on production and prices for the guidance of farmers and merchants. If emergency conditions arise, it will always be possible to authorize government intervention by special decree.

Projected Expenditures

654 241 231 We can now recapitulate the government expenditures in the field of agriculture and animal husbandry which are envisaged over the six years up to the end of 1960. Total projected outlays amount to around £S 336 million, or about £S 56 million per year. This represents a very substantial increase over expenditures in recent years which the mission has found difficult to ascertain but which probably have not averaged much more than £S 11 million a year.

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TABLE 6 Expenditures on Agriculture for the Six-Year Period 1955-60

(Thousand £S)

		Total	Average annual
Irrigation and reclamation		197,200	32,866
Aerial and soil surveys and mapping		4,500	750
Credit, cooperatives, education and marketing			
Capital for Agricultural Bank	50,000		
Cooperatives	500[a]		
Rural Community Improvement Program	2,700		
Agricultural schools	2,750[a]		
Stipends for foreign study	750[a]		
Grain storage	21,000		
Damascus abattoir	600		
		78,300	13,050
Research and experimentation			
Central direction	1,800[a]		
Seed selection and propagation	2,700[a]		
Crop rotation research and trials	1,000[a]		
Livestock breeding	1,200[a]		
		6,700[a]	1,117
Encouragement of better agricultural practices			
Fertilizer	500		
Forage and green manuring	500		
Improvement and establishment of pasture	500		
		1,500	250
Special livestock program			
Veterinary services	1,200[a]		
Livestock shelters	1,720		
Reseeding of grazing land	200		
Development of desert water supplies	2,250		
		5,370	895
Agricultural settlements		4,500[b]	750
Miscellaneous			
Small implements center	525		
Special instructions on operation and maintenance of agricultural machinery	500		
Forestry service	500[a]		
		1,525	254
Continuing expenditures of Ministry of Agriculture		36,700[a]	6,117
Grand total		336,295	56,049

[a] Additional expenditures beyond levels of recent years.
[b] Other than those financed by the Agricultural Bank.
[c] Excluding special and additional expenditures specified elsewhere, but including about £S 700,000 for extra overhead expenditures.

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plant might be able to undertake the production of these items as well as the improved types of agricultural implements which, in accordance with our proposals, might be developed for use on Syrian farms. It should be emphasized, however, that future industrial expansion will need to be more selective and that projects will require careful technical and economic scrutiny to establish their suitability for Syria.

We conclude, therefore, that improvement in efficiency and more careful, selective expansion are the principal problems which Syrian industry faces. To meet these problems we have a number of recommendations involving (1) increasing exposure of industry to foreign competition, (2) development of a larger market for industrial products, (3) establishment of an investment bank to provide technical and financial assistance to industry and (4) improvement in vocational education.

Protection of Industry

Syrian industry today is in many ways shielded against foreign competition. Protection of this type is a relatively recent phenomenon, dating only from 1949. Before that time industry had developed with little or no government assistance. Prewar tariffs were moderate and essentially revenue-producing in character. Virtually the only concessions to industry were lower duties on plant and equipment and raw materials. The rapid expansion of mechanical manufacturing occurred at a time when there was little competition from abroad. During the war imports were largely impossible and in the immediate postwar years the demand for manufactures was such that rising imports were not incompatible with the continued development of domestic output. With the relaxation of foreign exchange restrictions in 1948 and an increasingly abundant supply of manufactures in the world market, Syrian industry finally began to suffer from foreign competition. In 1949 the government came to the rescue by providing industrial establishments with facilities to obtain state-guaranteed loans at low interest rates from the issue department of the Banque de Syrie et du Liban. Pressure for more effective protection of industry was instrumental in terminating the customs union with Lebanon, which as a trading nation was interested in keeping tariffs moderate. Following the dissolution of this economic union in March 1950, import duties were generally raised and in many cases almost doubled. In 1951 tariffs on such articles as textiles, glass and soap were again sharply increased and the

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first import embargoes were imposed. In 1952 a large number of imports were prohibited and a *de facto* sugar trading and manufacturing monopoly was instituted. The following year, however, the Minister of Economics was deprived of discretionary authority to impose embargoes, and a number of prohibitions were subsequently lifted. Even so, import embargoes are still applied to such consumer goods as cotton hosiery, socks and stockings, "job lot cloth," second-hand cotton and silk clothing, men's shirts, vegetable oils, various soaps, margarine, canned vegetables and fruits, confectionery, glass and glass products, match boxes and match wood, matches, pins, wooden furniture and boots and shoes. These protective measures have been supplemented by controls over exports of certain raw materials designed to give domestic industry preferential access to available supplies. Importation of ginning machines was prohibited to safeguard existing enterprises, and imports of second-hand looms and knitting machines were stopped, to insure the installation of modern machinery. In 1952 the government also initiated licensing of industrial establishments for the purpose of preventing overexpansion and ill-considered ventures. During the same year more positive assistance was provided by enacting a law for the encouragement of industry which extended a number of benefits to new enterprises and extensions of existing plants.

The mission has no doubt that some protection of industry is justified, particularly in underdeveloped countries which need time to raise labor, technical and managerial skills to a level approximating those in the more advanced industrial countries. As we have already pointed out, the types of industry developed in Syria are generally of a character to warrant the expectation that they can ultimately stand on their own feet. This goal, however, will not be reached as long as production is as effectively insulated against outside competition as at present. The present system of exaggerated protection does not provide a sufficient incentive to raise efficiency and productivity. For Syrian consumers it involves excessive sacrifices in the form of higher prices and poorer quality. In recent years, for example, the Syrian government has found it necessary to protect consumers by controlling the prices of such articles as vegetable oils, yarn and cement.

In view of these considerations we recommend in particular that the present import embargoes be abolished. In some cases it may be necessary to substitute import duties higher than those now included in the tariff schedule, but in those instances prohibitive rates should be avoided and

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provision made for gradual reduction of the duties. At the same time we suggest that the whole tariff schedule be re-examined. By and large it cannot be said that the general level of tariffs is excessively high, particularly since ad valorem rates are levied on imports valued at the official rate of exchange, and this entails an undervaluation of about 40% compared to the actual exchange rate. In fact, we recommend elsewhere that tariff rates be assessed on the basis of actual foreign exchange rates for the purpose of increasing government revenues. This should not be construed, however, as a proposal to raise all tariffs irrespective of their nature. On the contrary, we would suggest that, as part of the general revision of the schedule, those rates which are primarily protective in character should as far as possible be reduced for the purpose of encouraging outside competition and lowering prices. If necessary, such reductions could be graduated over a period of time.

Possibilities of a Larger Market

The expansion and, above all, the diversification of industrial output in Syria is restricted by the rather small domestic market. In a country of only 3.6 million people with low purchasing power it is generally possible to manufacture only a limited range of articles which are used widely enough to warrant production on an economic scale. Broader industrial opportunities are likely to emerge only if a larger market is initially available. In the case of Syria it should be possible to establish such a market in cooperation with other Arab countries, all of which suffer from a similar handicap in the development of their industries. Over recent years the Arab countries have increasingly stressed their community of interest and the need for closer cooperation. The field of industrial development offers a particularly challenging opportunity for common endeavor. We do not suggest, of course, that the types of industrial enterprises to be developed by each country should be the subject of joint government decision. There should be consultation in cases where particular ventures are to be launched with special government assistance. In the main, however, the location and development of industry should be decided by the free play of competitive forces operating in a larger, common Arab market.

To a limited extent the Arab countries have already taken steps to develop such a market. Syria has concluded bilateral agreements with Lebanon and Jordan which free certain products from import restrictions

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Other Industrial Policies

433 654 We now come to a consideration of certain other government policies relating to industry. One of these pertains to the special benefits extended to new plants or extensions of existing plants under the law for the encouragement of industry enacted in 1952 and first applied in 1953. Among these benefits are a six-year exemption from the so-called "temettu" or license tax and from the tax on income from real property, and exemption from income tax for profits up to 10% allocated to reserves and used within two years for further expansion. Certain additional assistance is available for industries specially determined to be useful, namely a three-year exemption from all income taxes and exemption from customs duties on required machinery, tools and construction materials.

In general, we consider it appropriate to give such incentives to the establishment or expansion of industrial plants in a country like Syria where industrial development is still subject to considerable risks. We suggest, however, that the government replace the exemptions from the real property and income taxes with a scheme permitting industrial enterprises more rapid depreciation of plant and equipment for tax purposes. Some such scheme, coupled with a provision allowing accounting losses resulting from accelerated depreciation to be charged against taxable income for a limited number of years in the past and the future, would relate the amount of assistance more closely to capital needs than the proposed scheme does. It would provide an incentive for continuing expansion of industrial enterprises. In addition, we believe it would be easier to administer than the present provisions, which require tax authorities to determine what portion of the tax on income from real property and the tax on total profits is to be allocated to new plant and equipment as distinct from the previously existing investment.

The establishment of new industrial plants and the transfer of existing enterprises from congested urban districts might be considerably facilitated by the creation of industrial zones on the outskirts of the major cities. It would be desirable to develop a number of such zones in locations convenient both to labor residing in the city and to workers coming from the country. Normally it should be sufficient to provide land and public utilities in these zones on reasonable terms. To attract the smaller enterprises and shops, however, we suggest that small blocks of suitable workshop buildings might be erected for rent or for sale in at least one zone. This

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would not only provide an incentive to the transfer of small manufacturing shops and enterprises from the center of the city, but might well incidentally stimulate new investment in modernization of their equipment. In this connection it is significant that the removal of tanneries from the center of Damascus to a special industrial zone has in fact been attended by the installation of a considerable amount of new machinery and a substantial improvement in working conditions. While it is possible that private enterprise might become interested in the establishment of such industrial zones and shops in cooperation with the municipalities, we have made allowance in our proposed development program for the expenditure of £S 1.8 million by the central government for this purpose.

In the expansion of new industry the question arises whether the government should exercise any control over the establishment of new enterprises or additions to existing plants. By instituting a licensing system in 1952 the government has in principle already assumed such powers. While they have apparently not been exercised in a restrictive fashion, we strongly doubt that any government under normal economic conditions should even assume such authority. Private enterprise will ordinarily better be able to determine the wisdom of proceeding with a particular venture than civil servants inexperienced in business. There may be special cases where excess capacity is so serious as to warrant government intervention but even then great caution is necessary lest the restriction of competition in the development of industry impair the possibility of attaining greater efficiency.

With respect to working conditions, the mission has a few observations. Syria has a rather liberal labor code for industry, limiting the working week to 48 hours, prohibiting the employment of children under 12 years of age and containing stipulations regarding dismissal and death benefits and maternity and sick leave. Minimum wages are also set by regional wage boards. In the larger factories visited by the mission working conditions appeared for the most part satisfactory. In a number of plants, however, we observed a lack of safety precautions, notably inadequate protection of workers from the danger of moving parts and of dust and humidity. This problem calls for attention. Another deficiency is the lack of thorough enforcement of the labor code. The degree of compliance in the larger factories is not unsatisfactory. In the smaller factories and shops, however, enforcement is inadequate or virtually non-existent. While we do not suggest that the provisions of the labor code could be enforced in all of the small enterprises, we do recommend that some attempt be made

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457 Proper maintenance and repair of monuments is perhaps even more urgent,
658 since there is considerable deterioration at present. We accordingly recom-
172 mend that expenditures for this purpose be raised, on the average, approxi-
mately 50% over the next six years. A similar increase might be contem-
plated for excavation work which, as in the past, will presumably be
carried out in cooperation with foreign archaeological missions. All this
will require an increase in the subsidies paid to the Directorate of Antiqui-
ties out of the government budget to an average annual amount of approxi-
mately £S 950,000. The gradual growth in the Directorate's own receipts
will probably suffice to cover necessary increases in administrative outlays.

[491] Poor roads now impede access to many interesting historical monu-
ments. In addition to the recommendations on the national road network
made elsewhere, we believe Syria would be well advised to spend about
£S 1.5 million on the improvement of local roads of importance to the
tourist trade. The access roads to the Krak des Chevaliers and Saint Simeon
should have the highest priority.

457 Within the not too distant future the government should contemplate
the establishment of a special office charged with the promotion of tourism.
The cooperation and financial support of business groups interested in the
tourist trade might well be enlisted. It should not only seek to interest the
foreign tourist in the attractions of Syria, but also to make the Syrian
people and Syrian officials more aware of the importance of the tourist
trade and of making the tourist genuinely welcome.

Government Expenditures on Industry

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654 Although industry is preeminently a field for private enterprise, we
have made in this chapter a number of recommendations entailing addi-
tional government expenditures. For the period 1955-60 these would total
about £S 20.5 million, allocated as follows (in thousands of Syrian
pounds):

	Total	Average annual
Manufacturing		
Investment bank	10,500	1,750
Industrial zones and workshops	1,800	300
Enforcement of labor code[a]	325	54

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	Total	Average annual
Tourism		
Rest houses and restaurants	500	83
Directorate of Antiquities[b]	5,700	950
Tourist roads	1,500	250
Tourist office	200	33
Total	20,525	3,420

[a] Additional expenditures beyond present levels.

[b] Including the entire government subvention to the Department of Antiquities as increased under our recommendations.

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certain programs which do not fall in the category of public works projects might be expedited with the assistance of private enterprise. Thus the government might consider contracting the more technical parts of the cadastral survey, which under government operation is taking far too long to accomplish.

4. A small commission should be established to plan, coordinate and supervise the execution of a development program. A draft law has already been prepared to establish a Permanent Economic Council and a Commission for Economic Development. The Commission would include a chairman and two economic and financial experts, all of whom would devote their full time to its work, and the Permanent Secretaries of the Ministries of National Economy, Agriculture, Public Works and Finance. Its functions would be to prepare a development program, frame annual or biennial development budgets and supervise and coordinate the carrying out of the program. The Economic Council, which would include the Minister of Economics, a representative of the central bank, members of the Commission and representatives of the business community, would review the Commission's plans and budgets and pass them to the Council of Ministers with its observations, and would also advise the government generally on economic questions. This scheme of organizing the work impresses us as sound and we suggest that a law along these lines be enacted. It brings the business community into the task of economic and development planning; it promises the creation of a professional group to do the actual programming and day-to-day supervision and control; and it enlists the cooperation of the established ministries primarily concerned with development, instead of superseding them.

The Housing and Settlements Administration we have proposed might well be fitted into this organizational scheme. It must be remembered, however, that the proposed development budget should be drawn up in close coordination with the regular government budget, since both must be fitted into the global financial resources available. Moreover, as we have pointed out, the capital or investment projects which would presumably be included in the development budget should in themselves be closely related to recurring expenditures of a developmental character in the ordinary budget.

Great care will need to be taken to ensure adequate supervision of the execution of an approved program in all its phases. The Development Commission, for instance, should be empowered to ask for periodic (at

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654 least quarterly) progress reports from the agencies charged with the execution of various parts of the program. These reports should contain information on rates of disbursement, physical progress of the work, difficulties experienced, etc. The commission should be enabled to deal directly with the various agencies involved and also to make recommendations to the Council of Ministers regarding the removal of any obstacles to smooth progress which may have been encountered. It should, above all, be responsible for ensuring that coordinate action is taken whenever several agencies are concerned with the carrying out of a project or program.

5. Gaining the confidence and enlisting the cooperation of people is vital to the success of any development program. Government officials must exercise considerable tact and patience in overcoming distrust and persuading the people that the government is really intent on helping them improve their conditions of life. The officials who carry out the programs at the local level, in immediate contact with the people, must have a sympathetic but not patronizing attitude and will have to be selected for their devotion to public service as well as their technical competence. Over the years many young officials will have to be trained to work among the people on such tasks as supervising agricultural credit, organizing cooperatives, providing advice on agricultural methods, etc. In large part, however, their work must be supplemented and aided by existing officials ranging from the village *moukhtar* to the *mohafez*, from the village teather to the provincial health officer.

The new officials introduced to help carry out certain programs must be able to count on the positive cooperation of the existing officials. The latter in turn could provide more intelligent assistance and undertake more on their own initiative if they could be given a better understanding of local problems and the means of coping with them. In part this could be accomplished by requiring these officials to make more frequent tours and placing adequate transport at their disposal for this purpose. In part it could be achieved also by organizing periodic regional meetings at which problems would be discussed and competent technicians could provide information on measures that could be undertaken to improve village and town sanitation, agriculture, housing, transport and the like. At these meetings local officials could be briefed on what the government is seeking to accomplish and their positive participation in the program could be mobilized. This might help to avoid the tendency, apparent in a number

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of underdeveloped countries, of regarding a development program as simply a series of big projects or as something which the center imposes or confers on both the people and the officials at the local level without enlisting their active participation.

Conclusion

If financial and administrative difficulties can be overcome, successful achievement of the development program we have outlined should lay the basis for another period of economic expansion. The Syrian economy is fundamentally sound. Under the primary stimulus of private enterprise it has grown at a gratifying rate. Development has now reached a stage, however, where a program of government action on a large scale is necessary to provide the opportunities for further economic progress.

With the shrinkage of available new land, the government will have to carry out reclamation and irrigation projects at an accelerated pace and concentrate much more effort on assisting farmers to raise their yields. To increase productivity and enable the small farmers to share more extensively in the advancing prosperity of the country, it is necessary to carry out certain land reforms, organize cooperatives, provide much more agricultural credit and make government services available at the village level. The remaining public domain must be set aside for the progressive settlement of landless peasants in properly organized rural communities.

Storage facilities are required to improve the quality and reduce the cost of handling grain. New roads, improved road maintenance and better port facilities are needed to lower the cost of marketing agricultural commodities, and, to a lesser extent, of industrial products.

In industry, where development in the past has gone forward on a rather wide front, a period of consolidation has set in. The government must now adopt policies calculated to make manufacturing more competitive and must assist private enterprise in becoming more efficient and continuing its expansion on a more selective basis.

In the field of education, the emphasis in the future needs to be less on a further rapid extension of general educational opportunities and more on the adaptation of educational training to modern requirements and on the improvement of facilities for the acquisition of necessary vocational skills. In public health, where progress has been much less satisfactory than in education, the primary stress should be on remedying the uneven geo-

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654 graphic distribution of hospitals and on preventing disease through better sanitation, anti-malarial measures and the provision of safe water supplies. In urban development, the government faces the need of providing more guidance in municipal planning and assisting some of the rapidly growing cities to make at least a start in relieving slum congestion and anticipating acute housing shortages.

To cope with these tasks, the government must be able to rely on the support and participation of the entire Syrian population. The carrying out of a development program as a truly national effort will be instrumental not only in lifting the standards of living of the nation but also in promoting national unity and strength.

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tion, maintenance and elementary repair of machinery. These courses could be organized with the help of an FAO expert and in cooperation with farm machinery dealers. They might be given under the aegis of the agricultural school at Aleppo and the proposed school at Kamichliye.

Certificates of competence should be awarded after suitable tests; if employers were to increase the pay of holders of such certificates, this might provide an incentive to workers to take such courses.

University level. Syria has no agricultural college or faculty; all the top staff of the Ministry of Agriculture have been trained abroad. The government and the Ministry send students to Egypt, Europe and the United States; the FAO and other organizations grant fellowships to Syrians. In 1953, 58 agricultural students were studying abroad in various fields—37 in Egypt, 11 in France and 10 in the United States.

Syria will be in great need of agronomists, agriculturists and veterinarians in the coming years. For the time being the total of fellowships should be increased to permit foreign study by 15-20 more students each year. The curriculum of the secondary school should also be expanded, as indicated above, to include one or two years of special work, for immediate and pressing needs.

Research

Syria had 18 experimental stations in 1954. They are well dispersed throughout the provinces and have reasonably good facilities and adequate grounds. Eight of the stations, in the provinces of Damascus, Hauran, Homs, Hama, Euphrates and the Jezireh, are engaged mainly in cereal and field crop research; the rest in horticultural work. Unfortunately, the stations work more or less independently of each other and this lack of coordination, coupled with staff and budgetary deficiencies, greatly impairs their effectiveness.

Despite the government's commendable efforts to offer Syrian personnel courses of study abroad, well-trained agronomists, horticulturists, agricultural engineers, zoological technicians and veterinarians will be lacking for some years to come. This suggests the advisability of limiting the extent of experimentation in the 18 understaffed stations.

Coordinated and central programming for future research is essential; this should be the task of one station, which may become the nucleus of a future Central Research Station. For the time being, we suggest that

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activities be allocated among five departments which might later be incorporated into such a central station: soil; farm crop and horticulture; plant pathology and entomology; agricultural engineering; and rural economics. It has already been indicated that there should be a separate livestock center.

The embryo Central Research Station should assemble and evaluate research work already done in such fields as cereals and cotton; it should engage in intensive rather than extensive research. Existing stations should undertake seed selection and propagation. In the course of time some of these stations might become sub-stations of the C.R.S. with responsibility for carrying out the experimental and demonstration programs to be planned each year by the C.R.S. But this stage cannot be reached until the sub-stations are adequately staffed with competent research and field personnel.

The mission recommends consideration of:

1. the establishment of a Central Research Station, preferably in the Damascus area, with ample experimental grounds for future expansion;

2. the recruiting of foreign experts (with the help of interested international institutions) to head the proposed departments;

3. provision for training abroad of future Syrian staff; and

4. a decision on priorities for the building program in connection with the experimental program.

Extension Service

Annex E refers to the inadequacy of the present extension service in furnishing guidance to the farmers. The Ministry of Agriculture has provided technical information in the form of pamphlets and films and has also arranged training courses for guidance officers, especially in cotton cultivation and the control of pests and diseases. In this regard more can be done and the mission strongly recommends that short training courses, of the kind recommended earlier, should be offered to farmers. The distribution of more posters, particularly relating to livestock, designed to be understood even by those who cannot read, should be encouraged. Extension officers could also be instrumental in furthering the adult education program mentioned above. More guidance could be given by private organizations, such as the Chamber of Agriculture already set up in each mohafazat, and farmers' cooperatives could be instrumental in providing

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and financing facilities for the presentation of pertinent information to farmers, and in organizing agricultural exhibitions.

The Chambers of Agriculture could also participate in regional programs for agricultural guidance, improvement of the care and breeding of sheep, goats and cattle, etc., and promotion of the various cottage industries. Close cooperation with the guidance department of the Ministry of Agriculture would make possible a national program to improve agricultural conditions, establish youth organizations, and stimulate growers' associations for cereals, cotton, sugar beet, tobacco, olive, fruits and other crops.

APPENDIX

TABLE 3 Nurseries and Research Stations

	Specialty	Approximate area (hectares)	Province
Damascus	horticulture	25	Damascus
Ezra	field crops	200	Hauran
Tell Chehab	horticulture	20	Hauran
Soueida	horticulture	25	Soueida
Homs	horticulture and field crops	45	Homs
Hama	horticulture and field crops	40	Hama
Aleppo	horticulture cotton breeding	40	Aleppo
Latakia	horticulture	30	Latakia
Sin	citrus	48	Latakia
Tartous	horticulture	20	Latakia
Harem	horticulture	20	Aleppo
Madrah	horticulture olives pistachios	20	Aleppo
Deir ez Zor	mixed	27	Euphrates
Hassetche	mixed	100	Jezireh

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ANNEX E *NOTES ON AGRICULTURAL INSTITUTIONS*

1 AGRICULTURAL BANK OF SYRIA

General

Of the estimated £S 100 million–£S 120 million of agricultural credit outstanding in 1953, some 10-15% was furnished by the private commercial banks (including the Commercial Department of the BSL), probably 50% by moneylenders and merchants, and somewhat more than 35% by the Agricultural Bank of Syria. In view of its future role the mission adds the following note on the ABS. The other sources of credit are dealt with in the Main Report.

The Agricultural Bank operates throughout Syria. In addition to its central Damascus office it has three main branches, in Aleppo, Latakia and Deir ez Zor, and 27 sub-branches in the more important towns. The facilities, however, are not adequate to channel an adequate volume of loans down to the level of the small farmer.

The ABS is a governmental institution, administered by a General Director and a board of nine directors, six representing respectively the Ministries of Finance, Agriculture and National Economy, and the Chambers of Agriculture, Industry and Commerce, and three selected by the Council of Ministers. Since 1950 the functions of the ABS have been considerably broadened. In addition to making loans to farmers, it now performs such extra-banking functions as purchasing and selling seeds, insecticides, and machinery, purchasing land and helping small farmers develop improved farm practices, and importing agricultural equipment. At present, it does not make loans directly to cooperatives. Loans have been granted to individual members with the joint guarantee of other members rather than to a cooperative association itself (the Bank Act, as redrafted (see below), would empower the ABS to lend directly to cooperatives). The limitations on extending loans for agricultural purposes are not to be found so much in the functions of the Bank as in the provisions dealing with the conditions under which loans may be granted. A principal objective should be the removal of burdensome restrictions and the substitution of desirable and sound loan policies.

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652 TABLE 2 Loans by Agricultural Bank for Special Programs
654 Authorized by Government, 1950–53

	1950–1951		1951–1952		1953	
	Number of loans	Value (thousand £S)	Number of loans	Value (thousand £S)	Number of loans	Value (thousand £S)
Machinery loans (MIRA)	809	3,710	42	175	4	6
Relief to olive growers	2,757	1,183	3,067	508	—	—
Cotton seed advance	—	—	—	—	233	131
Combating cotton worm	—	—	5,923	2,745	1,115	512
Seasonal loans	—	—	1,394	1,150	6,440	6,123
Relief to drought-stricken areas in South	—	—	13,977	5,287	—	—
Machinery loans (Agricultural Bank)*	—	—	670	5,213	124	544

* These loans are for machinery purchased and sold directly by ABS in contrast to the MIRA machinery loans shown above.

The short-term or seasonal loans from BSL are at 2½% interest, the amount outstanding at the end of 1953 being £S 5.9 million. The BSL functions as a central bank in its transactions with the ABS, there being no national central bank in Syria at the present time.

Machinery loans have been of most aid to large farmers, while the seed, insecticide and relief loans have been helpful to all types of farmers.

Lending Practices and Policies

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The Agricultural Bank may make loans against the security of a real estate mortgage, a joint guarantee of several individuals, a chattel mortgage on crops, Treasury bonds, gold and certain types of commercial paper. In practice, however, loans have been advanced only on real estate mortgages and joint guarantees. This has meant a restricted loan policy. For instance, the ABS has not been in a position to make direct loans on crops or chattels, to finance cooperatives effectively, to extend credit to new land settlers, or adequately to meet the credit needs of the small farmer.

Table 3 shows the loans of the ABS by type of security for the period 1947-1953. It reveals no marked trend in the use of the mortgage or the

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m RECOMMENDED ORGANIZATIONAL FRAMEWORK FOR A SUPERVISED AGRICULTURAL CREDIT AND RURAL DEVELOPMENT PROGRAM

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The organization of the agricultural extension service should be such as to permit its ultimate development into the central agricultural agency through which educational activities relative to improved techniques in agriculture and rural living are channeled. In its particular sphere of activity the Extension Service should coordinate the findings of all departments within the Ministry of Agriculture. It should become eventually one of the three or four principal departments of the Ministry of Agriculture, separated from the research control or administrative work of the Ministry. For the present, however, it would seem desirable to retain the Division of Cooperatives and the Extension Service on the joint basis. The Extension Service should not have regulatory or police power functions, for this would involve education in the pleading of special causes or the enforcement of sanctions. Education and extension rather involve training on the basis of voluntary participation by farmers. At the national and regional level the Service should be staffed adequately to serve the village communities. It is recommended that an additional amount of £S 250,000 be provided during the next five years for personnel, travel and general operating expenses of the Extension Service.

There is a shortage of trained agriculturists. Steps should be taken to improve the teaching and research facilities of the four intermediate agricultural schools at Aleppo, Deir ez Zor, Latakia and Selemiye, and also at the secondary agricultural school at Kharabo. The extension worker needs a broad but well-grounded training in the technical aspects of agriculture, a good knowledge of social and economic problems in rural communities, and special training in extension methods and the philosophy underlying good extension work. In addition to pre-service training centers, it is essential that in-service and refresher courses be provided for extension personnel. The Food and Agriculture Organization should be requested to assist in the development of a training center for extension workers. This activity might well be supplemented by a cooperative arrangement between the Ministry of Agriculture and the Near East Foundation for the training of village community workers. The work of this Foundation provides a useful example of an effective method of reaching the small farmer. Scholarships

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for study abroad should be a necessary part of the training of the senior staff.

The findings of research, experimentation and the experiences of farmers give support to extension programs. Much information is already available and should be transmitted to farmers, but more systematic and better coordinated practical research should be the aim in the future. The two functions of research and extension should be coordinated within the Ministry of Agriculture so that each performs its specialized service, in a manner that supplements and complements the other. Research must focus on the key needs and concerns of farmers and anticipate future problems. For instance, one of the emerging needs is to know more about good crop rotation practices, including better use of land now fallow.

Chart 1 indicates the mission's conception of a desirable organizational framework for the agricultural credit and rural development program it has recommended.

IV LAND TENURE

In Syria, the landowner group is composed of full owners, part owners, debt-encumbered owners, and owners with undetermined title. Owners range from operators of large commercial farms to small subsistence farmers. The tenant group is composed of farmers who rent or make some payment for the use of land, and comprises most of the farmers who live on the land and cultivate it. Most of the large owners do not live permanently on their land but operate through some type of sharecropper system. There are very few cash tenants. The sharecropper usually works under the direction of the landlord or his agent and is dependent upon him for farm supplies and operating capital. Often he contributes toward crop production little but his own and his family's labor. His status is more nearly that of a laborer than of a tenant. A true tenant has rights of occupancy and land use that are protected by law, while the sharecropper is very much subject to the will of the landlord.

In general, it appears that in the rainfed areas the sharecropper receives about 30% of the crop if he provides only his labor, and around 70% if he provides the working capital. In areas sparsely settled he receives a slightly higher percentage of the crop, and in heavily populated areas he may receive somewhat less. On the irrigated lands the sharecropper receives in

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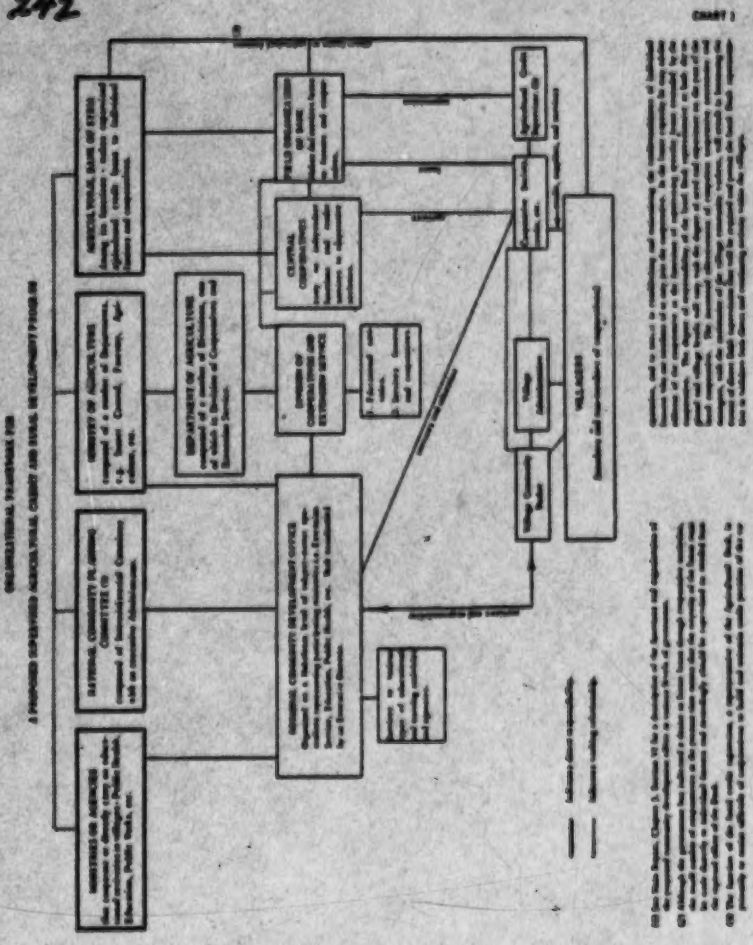

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seven were for over £S 1 million to 10 corporations. One large Damascus corporation received two loans totalling £S 7 million. The sectors of industry to which loans were made were, in order of magnitude, textiles, sugar refining, vegetable and fruit canning and glass; a minor amount was loaned for manufacture of liquid gas and mechanical equipment. The terms on which all of these loans were made were considerably easier than those prevailing on the capital market, the rate of interest being only 3%.

By the time repayment was due, the general attitude of the government towards industry had become so favorable that beneficiaries, if they wished it, had little difficulty in securing an extension.[6] In 1952, extension of the period of repayment for five additional years was authorized, and "guaranteed companies" might thereafter be allowed to distribute dividends out of net profits in stated circumstances. Any guaranteeing of new industrial loans was forbidden.

By legislation in January 1954, the scheme was revived and even extended to include loans for the financing of big hotels, provided, however, that the total amount of the loans outstanding and guaranteed to industry and hotels should not exceed £S 15 million.

Fiscal Privileges

Until 1949 fiscal facilities favoring industry were restricted to special customs provision applying to imported tools, machinery, apparatus and materials for industrial requirements; in stated circumstances, they might be subject to a tariff of only 1%.

An act of 1945 exempted new construction, for two years, from the tax on income from real property. In 1950, the exemption was explicitly applied to new factories and workshops, beginning with the financial year following the completion of the projects.

On September 27, 1952, Legislative Decree No. 103 (on the encouragement of industry) granted to all registered industrial establishments, effective with the 1953 fiscal year, the following privileges under certain conditions:

1. exemption from customs duties on machinery, tools and equipment

[6] It is noteworthy that at that time the large Damascus corporation mentioned above had converted its £S 7 million guaranteed loan in an overdraft of the commercial type with the Banque de Syrie et du Liban. As a result, the total guaranteed amount outstanding had dropped to £S 16.627 million.

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imported for the requirements of the enterprises; the industries and the imports as well as the quantities benefitting from this provision are determined by the Council of Ministers on the recommendation of the Ministry of National Economy;

2. exemption for six years from the tax on income from real property, for new construction in factories, administrative buildings and housing for workers and employees connected with the establishment, and industrial machines and equipment housed in these installations; the existing two-year exemption of new factories and workshops was extended for the same six-year period;

3. exemption from income tax for reserves up to 10% of annual profits, devoted within two years to the further expansion of the industrial establishment;

4. exemption from the "temettu" tax for six years from the beginning of operation; and

5. exemption from the income tax for three years from the beginning of operation in the case of industries needed by Syria or which had not been established there on the specified date.

These privileges are also applicable to additions to existing factories and industrial plants. On the other hand, an industrial establishment which suspends operations for more than a year and a half without an excuse accepted by the Ministry of National Economy loses its exemptions.

Proprietors of beneficiary industrial establishments must, among other things, furnish complete information and accounts of their enterprises, and must use the machines, equipment and construction materials which qualify their enterprises for the exemptions.

The granting of the privileges under (1) and (5) calls for a decision of the government, which can be based on the preceding appraisal of the project as required under the law on the regulation of industry, discussed in the following paragraph. The other privileges are extended automatically.

Other Controls and Incentives

The registration of industry. Following the opening of a general public register of manufacturing enterprises in 1949, a 1951 decree introduced a system of special registers for every local industry. Anyone starting an industrial establishment in Syria must present within one month

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authorities. The mission was informed, however, that practically every handicraft application for an industrial license is approved. With regard to industry proper, applications have been turned down for various reasons. The main criteria seem to be whether the local market can absorb the additional production and whether the new or expanded industry can be expected to increase exports, especially to the Arab countries.

Facilities with regard to industrial sites. By the decree on the encouragement of industry, the government opened facilities for settlement on state domain land. The proprietor of an industrial establishment who wishes to construct a building for industrial exploitation may rent up to 25,000 square meters with a five-year option to purchase land belonging to state domain, on conditions to be determined by the Directorate of State Domain. The beneficiary is not allowed to sell or utilize this land for non-industrial purposes and the State may recover ownership of land not used for industrial construction or expansion within five years.

These provisions represent a real contribution to a reduction of the cost of establishing new industrial enterprises and to the better siting of existing ones.

Export promotion. The laws on the regulation and the encouragement of industry contain several provisions, already mentioned, which permit the authorities in their discretion to grant certain privileges and other facilities to industrial enterprises in the interest of the national economy. We understand that the authorities have several more specific objectives in mind, including the promotion of industrial exports.

Besides these measures, which have been in existence for only two years, the Syrian Government has for several years been actively engaged in negotiating foreign trade agreements with Arab and other countries[8] with a view to promoting exports generally. Since gaining its independence Syria has made commercial agreements with Saudi Arabia, Egypt, Jordan and Lebanon among the Arab countries, and with India, Greece, Czechoslovakia, Yugoslavia and Japan. Several of these treaties include special privileges for Syrian industrial exports, either assuring them most-favored-nation treatment or exempting specific Syrian products from import restrictions or allowing them tariff reductions or exemptions. Agreements in 1953 with Lebanon and Jordan exempt some local industrial products from customs duties or apply reduced tariffs, and provide

[8] Formerly, under the mandate, commercial treaties could be concluded only with neighboring countries and countries not members of the League of Nations.

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for the exchange of other industrial products subject to ordinary duties. The inter-Arab economic agreements of September 9, 1953, between Lebanon, Syria, Jordan, Egypt and Iraq, list a considerable number of industrial products to which a tariff rate of 25% of the normal tariff of these countries will be applied. But they do not exempt trade among the signatory countries from existing import and export licenses and embargoes, nor do they rule out the institution of new ones. Only in the special commercial agreements between Syria and Jordan, and Syria and Lebanon, are certain industrial products, originating in these countries, exempt from all import restrictions.

IV AN APPRAISAL OF THE GOVERNMENT'S POLICY TOWARDS INDUSTRY

A country like Syria, with a preponderantly agrarian economy, no important mineral deposits and little power resources, still rather underdeveloped from the point of view of national income per capita and the dissemination of technical skills, is likely to have a natural advantage in the following branches of mechanized industrial production: (1) the processing—at least up to a certain stage—of indigenous crops which are exported; (2) the production of building materials and other bulky goods for local needs; (3) the manufacture in light industries of commodities for general consumption and some durable goods to meet a more or less special national or regional requirement, even with imported raw materials; (4) the production of simple tools and the repair (eventually the assembly) of locally used machines; and (5) the semi-handicraft production of some luxury goods requiring those special skills for which the country has traditionally been well known. These are in fact the main fields on which modern Syria's industry has concentrated and there is nothing fundamentally unsound about this.

On the other hand, it could not have been expected that the progress made in the period of relative isolation followed by the postwar boom would make Syria proof against the competition of long established and highly efficient foreign concerns, quite apart from the dumping of cheap surplus stocks and large imports of modern machine-made luxury goods with which it was confronted by the end of the forties. The customs tariff of the Syrian-Lebanese Union offered only a modest protection for local

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656 433 on the introduction or continuation of these measures with regard to a branch of industry the government take the advice of a standing commission in which, besides various occupational groups, independent economic experts would ensure a well-balanced opinion with due consideration of all the aspects involved. Finally, it seems desirable that decisions on the issuance and cancellation of licenses by the Ministry of National Economy should be governed as much as possible by general and public directives applied without discrimination.

654 433 *The encouragement of industry.* In many underdeveloped countries it is believed that acceleration of economic progress demands at least a shift in emphasis from primary production in favor of basic and manufacturing industry, to lessen dependence upon the already developed countries. When private initiative seems to be insufficiently vigorous, it sometimes happens that the government takes the lead by establishing publicly financed state factories and other state economic enterprises. This was done in Turkey, for instance.

The Syrian government has, however, taken a different course. Although it nationalized the foreign-owned public utilities it did not, except in one ill-fated case, itself enter the field of industrial operations by establishing factories. Instead, in various ways it encouraged private industrial enterprise, which, after all, had demonstrated its energy in promoting industrialization. Moreover, most of these measures, particularly those aimed at stimulating new industrial establishments and expansion of existing ones, were introduced only when industrial development began to show signs of stagnation during 1952.

The mission takes a favorable view of the basic principle of Legislative Decree No. 103 of 1952. In many countries at an early stage of development, a considerable and often disproportionate part of national savings tends to be invested in residential real estate or to flow into commercial or financial enterprise. Under such circumstances special incentives to induce a larger portion to be invested in industry, where they would probably make a greater contribution to the productivity of the economy, are certainly justified. We have no special comment with regard to the provisions for industrial sites. With respect to the fiscal privileges, however, we have some specific recommendations.

It seems reasonable for an underdeveloped country to exempt from customs duty imports of machinery, tools, equipment and construction materials not locally produced. In Syria decisions as to the industries and

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quantities to be exempted have been made by government officials. The mission suggests that for the system of individual decisions involving political judgment there be substituted in the law itself a general exemption provision on as liberal a basis as possible.

We cannot endorse the temporary exemption from income tax for new firms and for profits on new investment by existing firms. Our chief objection to these provisions is that an income tax exemption leads to rather irrational and sometimes inequitable results. It is obviously most important to the companies realizing the highest profits and it is of no value to those making no profits during the period of exemption. Furthermore, with a graduated tax such as Syria's, large firms benefit more from the exemption than do the small- and medium-sized firms. The exemption of profits derived from expansion of existing businesses, as distinguished from exemption of new firms, presents serious administrative difficulty in connection with the allocation of total profits between the new and the old part of the business. No fully satisfactory solution for this problem can be found even when both administrators and taxpayers are highly skilled and sophisticated in accounting techniques. Yet it would be undesirable to confine the concession to new firms, since additional investment in an established business may often be more productive than the same investment in a new business, especially where, as in Syria, there is a shortage of experienced managers.

The simplest way to achieve most of the benefits of temporary income tax exemption without its disadvantages and difficulties appears to be through liberalization of the depreciation or amortization allowances under the income and profits tax. In other words, the taxpayer should be allowed to write off against taxable income the original cost of plant and equipment in a period shorter than the normal useful life. For any given asset, accelerated depreciation results in a postponement, rather than a complete cancellation, of income tax liability but the investor can extend this postponement indefinitely by acquiring new assets when the first group has been written off for tax purposes.

Accelerated depreciation reduces or eliminates the chance that the income tax will prevent recovery of the capital outlay. For a rapidly growing firm it may offset taxable income and thus be virtually equivalent to exemption. The concession is automatically cancelled if the firm ceases to expand. Accelerated depreciation puts the emphasis on new investment, whereas tax exemption may grant unnecessarily large benefits to highly

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profitable firms which do not choose to expand. Furthermore, depreciation raises no great administrative difficulties.

Our recommendation would provide a fairly effective substitute for income tax exemption, especially the recommendation that the tax on non-agricultural real estate be transformed into a tax on a true net income is also adopted. We realize, however, that a special problem arises in adapting the accelerated depreciation approach to Syrian conditions. Businesses with gross receipts of less than £S 25,000 per year pay an amount equal to 50% of the temettu tax in lieu of the regular income tax. Since these firms do not compute net income or depreciation allowances they could hardly be brought under the general scheme. It is suggested that these smaller firms be allowed to deduct from their tax liability a credit related to the amount of any new investment in buildings, machinery or other industrial equipment.

The present exemption of reserves up to 10% of annual profits which, within two years, are devoted to expansion of the enterprises would seem to be extremely difficult to administer satisfactorily; proper administration would call for careful supervision to assure compliance. This provision could well be eliminated. The law might provide, however, that if deduction of accelerated depreciation after an investment has actually been made produces an accounting loss, the loss might be carried back against income of the two preceeding years. The present law allows losses to be carried forward against income for five years but does not provide for a carry-back of losses.

Credit facilities. Our principal objections against the scheme of government-guaranteed industrial credits can be summarized as follows: (1) It applies only to corporations, thus excluding the large majority of Syrian industrial enterprises, which are not organized in this form, and in effect reserving its benefits to a small group of large companies, although there is no reason to assume that all credit needs outside this group can be met by other means. (2) The limitation of the life of the guaranteed loans to three years (later extended to eight) does not sufficiently allow for adapting the maturity of these loans to the requirements of the projects. As an instrument to facilitate long-term industrial financing the provision may in some cases be too rigid. (3) The 3% interest rate, appreciably below the prevailing market rate, puts the beneficiaries in an exceptionally favorable competitive position as again non-beneficiaries, and may stimu-

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industrial protection through measures affecting foreign trade would be largely the responsibility of the Minister of Finance. We therefore suggest some procedure to assure that the Minister of National Economy also has some responsibility in this connection insofar as the interests under his jurisdiction are involved. It would also seem desirable that the Council of Ministers continue to exercise its ultimate control over measures of this character so that possible conflicting considerations may be resolved in terms of the public interest in its broadest sense.

Export promotion. The priority given by the Syrian government to attaining national self-sufficiency with regard to industrial products which can be locally manufactured has been combined with a growing effort to open up additional markets for Syrian industry, particularly in the other Near Eastern countries. Syria's execution of several bilateral trade agreements and participation in the inter-Arab economic agreement aiming at liberalizing mutual trade exchange are undoubtedly steps in the right direction. The possibilities for further industrial export promotion, however, are not being fully exploited.

First, the mission recommends that Syrian export industries be given every possible assistance in the procurement of foreign raw and auxiliary materials without fiscal charges, specifically that they be given a full rebate of such charges commensurate with actual exports, and that the system of rebates be so administered that the rebate can be quickly and easily obtained.

Secondly, it is recommended that the policy of negotiating bilateral trade agreements with Syria's main commercial partners be systematically pursued. The considerable increase in recent years in exports of silk and artificial silk cloth, knitwear and other articles of clothing and soap, particularly to the markets of Jordan and Iraq, indicates that there are industrial export possibilities worth while consolidating and expanding.

Thirdly, it is suggested that Syria which, so far as is known, lacks natural oil deposits, has an even greater interest than its oil-producing neighbors in the creation, on a multilateral basis, of a market among the countries of the Arab League; the amount of purchasing power generated by these other countries would contribute far more to the joint total than would Syria's contribution. It therefore seems to be particularly in Syria's interest to promote further inter-Arab economic integration. If this could be achieved, conditions would also become more favorable for the re-establishment of the economic union with Lebanon.

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range from 0.70 to five meters, averaging about two, and the depth of the harbor entrance is only six to seven meters. The larger ships must anchor in the roadstead (depth, five to six fathoms) and be served by lighters. 504

Although at various times in the past steps were initiated to improve the port facilities at Latakia, it was not until 1950 that the government decided definitely to proceed with the development of a modern national port. In the mission's opinion the decision was reasonable and realistic, despite the various theoretical arguments in favor of other courses. At all events, the course being chosen, the mission has viewed the present development problem as simply one of integrating Latakia most effectively into the national transport pattern.

New Construction

The new port is designed to handle one million tons of cargo per year, about double the 1953 volume, but is calculated to show a satisfactory investment return at slightly above 800,000 tons. This volume was actually reached in 1954, before completion of the port construction. Recently the dispatch of the lighter service itself has improved considerably and this, together with the growing volume of regular cargo, has recently made it possible for international shipping companies to remove the former Latakia port surcharge of $9.25 per ton.

The mission has recommended construction of a grain silo, not provided for in the plans. A silo capacity of about 20,000-40,000 tons, equipped for mechanized delivery, will be required to regularize the harvest flow of export cereals when combined with the inland storage, cleaning and grading facilities discussed in the Main Report.

Promotion and Regulation

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A number of artificial measures have been invoked by the government as part of its effort to encourage the use of Latakia. A 1953 decree, for example, prohibited the importation of brown sugar, cement, asphalt, wood or iron via ports other than Latakia. There are also provisions with regard to exports. Since July 1952, exports of Syria's most important agricultural products are not allowed to use ports other than Latakia. The mission recognizes that such measures can serve a purpose at times, but they also can have serious drawbacks and are seldom the most desirable

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means of promotion. Indeed, in the first example given it was necessary to exempt certain materials for southern public works, sugar for the Homs refinery (by special license) and various other large imports, so that much of the remaining cargo affected by the decree would have entered through Latakia in any event. It is questionable whether the actual benefit to Latakia is enough to offset the domestic and international resentment engendered.

Favorable adjustment of the various port charges, such as those for anchorage, mooring, cargo handling and storage, offers a more satisfactory means of promotion. In these the Syrian government has already shown a flexible policy, readjusting the rate schedule from time to time; we feel that this policy should be continued. Inducements of this kind, together with constantly improving service to shippers, will in general meet the competition of other ports with greater benefit to the Syrian economy than negative or restrictive measures.

IV CIVIL AVIATION

In a period of a few years Syria has made appreciable progress in the development of her civil aviation. Wisely, at this early stage, she has concentrated on the most-needed domestic services and the educational steps to popularize air transport, while at the same time providing suitable airport facilities to insure good connection with international lines. Domestic air mail service was inaugurated in April 1954.

International Services

By the end of 1953 nine international airlines provided Syria with direct service to all parts of the world. These call primarily at Damascus, although the Class C airport at Aleppo is used internationally to some extent.

The Damascus airport is situated only 10 kilometers southwest of the center of the city on an excellent road, at an altitude of 715 meters. It has a main runway of 2,550 meters and a cross-wind runway of 1,000 meters, both paved. Runways, taxiways and aprons will take aircraft of up to 50 tons. Equipment includes full lighting to ICAO specifications,

MISCELLANEOUS.

حالة اعمال التحديد والتحرير حسب الاقضية ، في نهاية عام ١٩٥٢

EXTENT OF LAND SURVEYED AS AT THE END OF 1952, BY QADAS.

Table No. 1 جدول رقم ١

MOHAFAZAT AND QADAS	المساحة المحدودة (بالهكتار) Area surveyed (Hectars)	المساحة المتبقية للتحديد (بالهكتار) Area to be surveyed (hectars)	المساحة الغير قابلة للزراعة (بالهكتار) Uncultivable Area (hectars)	المساحة الكلية (بالهكتار) Total Area (Hectars)	المحافظة والقضاء
TOTAL	**3,544,383**	**4,272,605**	**10,630,398**	**18,447,386**	الجموع العام
DAMASCUS MOHAFAZA					محافظة دمشق
and Damascus city	236,568	562,842	1,103,408	1,902,753	ومدينة دمشق المنارة
Mohafaza centre	44,842	6,500	—	51,342	مركز المحافظة
Quneitra	5,230	124,770	—	130,000	قضاء القنيطرة
Duma	116,792	100,000	989,208	1,206,000	« دوما
Zabadani	—	56,800	8,200	65,000	« الزبداني
Al-Qutaifeh & Nabek	—	250,000	106,000	356,000	قضائي القطيفة والنبك
Qatana	119,639	24,772	—	144,411	قضاء قطنا
HOMS MOHAFAZA	**921,008**	**278,200**	**2,965,792**	**4,165,000**	محافظة حمص
Mohafaza centre	921,008	278,200	2,965,792	4,165,000	مركز المحافظة
HAMA MOHAFAZA	**622,185**	**100,000**	—	**732,185**	محافظة حماه
Mohafaza centre	280,865	—	—	280,865	مركز المحافظة
Salamiya	351,320	100,000	—	451,320	قضاء السلمية
LATAKIA MOHAFAZA	**294,164**	**349,997**	**53,839**	**697,**	محافظة اللاذقية
Banias	5,342	49,976	16,682	72,000	قضاء بانياس
Talkhalakh	9,701	43,931	368	54,000	« تلكلخ
Jableh	22,989	50,000	5,011	78,000	« جبلة
Al-Hiffeh	47,506	26,544	12,950	87,000	« الحفة
Safita	7,334	49,955	3,211	61,000	« صافيتا
Tartus	23,753	29,978	2,269	56,000	« طرطوس
Latakia	45,759	49,613	4,628	100,000	« اللاذقية
Misiaf	41,280	50,000	8,720	100,000	« مصياف

متنوعة

حالة اعمال التحديد والتحرير حسب الاقضية ، في نهاية عام ١٩٥٢

EXTENT OF LAND SURVEYED AS AT THE END OF 1952, BY QADAS.

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Table No. 1 (Concld.)

جدول رقم ١ (تتمة)

MOHAFAZAT AND QADAS	المساحة المحدودة (بالهكتار) Area surveyed (Hectars)	المساحة المتبقية للتحديد (بالهكتار) Area to be surveyed (hectars)	المساحة الغير قابلة للزراعة (بالهكتار) Uncultivable Area (hectars)	المساحة الكلية (بالهكتار) Total Area (Hectars)	المحافظة والقضاء
ALEPPO MOHAFAZA	**1,292,808**	**999,089**	—	**2,291,948**	**محافظة حلب**
Idleb	110,395	60,457	—	170,852	قضاء ادلب
I'zaz	—	145,000	—	154,000	« اعزاز
Al-Bab	165,997	—	—	165,997	« الباب
Ifrin	—	205,000	—	205,000	« عفرين
Jabal Sam'an incl. Aleppo	429,249	—	—	429,249	« جبل سمعان بما فيه مدينة حلب
Jarablus	36,557	73,972	—	110,529	قضاء جرابلس
Jisr-esh-Shughour	25,732	100,660	—	126,392	« جسر الشغور
Harem	—	82,000	—	82,000	« حارم
Ein-al-Arab	—	273,000	—	273,000	« عين العرب
Ma'arrat-an-Na'man	248,520	50,000	—	298,520	« معرة النعمان
Minbej	276,409	—	—	276,409	« منبج
HASAKEH MOHAFAZA	**95,725**	**796,275**	**1,325,000**	**2,217,000**	**محافظة الحسكة**
Mohafaza centre	95,725	204,275	1,225,000	1,525,000	مركز المحافظة
Dajla	—	200,000	100,000	300,000	قضاء الدجلة
Qamishli	—	392,000	—	392,000	« القامشلي
DEIR-EZ-ZOR MOHAFAZA	**8,641**	**500,000**	**4,997,359**	**5,506,000**	**محافظة دير الزور**
Mohafaza centre	8,641	100,000	1,251,359	1,360,000	مركز المحافظة
Abu Kamal	—	75,000	276,000	351,000	قضاء البوكمال
Ar-Rigqa	—	250,000	1,950,000	2,200,000	« الرقة
Al-Mayadin	—	75,000	1,520,000	1,595,000	« الميادين
SWEIDA MOHAFAZA	—	**370,000**	**185,000**	**555,000**	**محافظة السويداء**
Mohafaza centre	—	80,000	67,000	147,000	مركز المحافظة
Shahba'	—	150,000	51,000	201,000	قضاء الشهباء
Salkhad	—	140,000	67,000	207,000	« سلخد
DER'A MOHAFAZA	**102,798**	**316,202**	—	**420,000**	**محافظة درعا**
Mohafaza centre	70,172	76,828	—	147,000	مركز المحافظة
Izra'	27,194	186,806	—	214,000	قضاء ازرع
Feeq	6,432	52,568	—	59,000	« فيق

Source : Directorate General of Land Survey.

المصدر : المديرية العامة لمصالح العقارية

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better cultivation, if more machinery were available, to reduce the fallow to one year out of two, instead of two out of three in the districts where this is customary; it would also be possible, by machine cultivation, to keep weeds under control. (See Chapter VIII.)

The main possibilities of development, however, depend on irrigation. At present an area of some 500,000 acres is irrigated, and even under the existing scheme much water is wasted. How much additional land could be irrigated is a subject for controversy. Mr Soubhi Mazloum, a Syrian irrigation engineer, suggests that the total area which could be irrigated, including the use of the Euphrates water, may be as large as 1,200,000 hectares (2,960,000 acres):[1] but this figure refers to the area which it is *physically* possible to irrigate, not the area which could be irrigated with any prospect of economic return.

A more exact and detailed estimate was prepared by Professor Addison, the irrigation expert, who surveyed existing schemes in 1943 and considered that the extension of these which was then economically practicable would irrigate some 68,000 hectares (168,000 acres) in addition to the area already irrigated. The difference between these two estimates indicates how wide a range of opinion there is. A survey is now being prepared by a British irrigation firm on behalf of the Syrian Government, to provide the basis of development projects, and pending its publication it is impossible to quote any more satisfactory estimates.

The Jezira and Euphrates Provinces. In inner Syria, the Jezira area and part of the Euphrates province in the north-eastern corner of the country, there are quite large possibilities of extending cultivation both in the rain-fed zone, and by irrigation. North of a line from Tiyne to Sheikh Saleh there is sufficient rainfall to water the winter crops. In the 'Duck's Bill' and along the Turkish frontier to a depth of about 12 miles to Derbisiye, the rainfall is 50 to 100 centimetres per year (20–40 inches), and south of this there is another belt with rainfall of 25 to 50 centimetres (10–20 inches), about 50 miles wide.[2]

[1] 'Le Problème de l'Eau au Liban et en Syrie', in *L'Agriculture, Richesse Nationale*, (Beirut, 1942).

[2] This information is based on an unpublished report prepared for M.E.S.C. in 1944.

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Another significant aspect of the land tenure problem is the financial arrangements between the landlords and tenants. 427 241

Although there are many variations throughout the country, there are three basic contracts.

In the first, where water is available by gravity flow for irrigation and the landowner furnishes only the land, he gets 50 per cent and the tenant gets 50 per cent of the gross yield. In the second type of contract, where the tenant installs pumps and operates them at his own expense and the landlord furnishes the land only, he gets 33⅓ per cent and the tenant gets the rest. In the third case, where the landowner furnishes only the land and the tenant drills artesian wells at his own expense, the landowner gets only 25 per cent of the gross yields. There are variations depending on the crops produced and on who furnishes seed, fertilizer, and equipment. With the growth of mechanization, there is a rising tendency for landowners to prepare the seed beds themselves with large tractors and to take a large share of the produce.

With the advent of mechanization, there is also a noticeable tendency to wage-crop arrangements, particularly in the remote areas like the Jezira where the population is sparse and where the only feasible arrangement for picking cotton is the employment of nomads by the day. 464 241

The greatest concentration of small cultivators who own and operate their own farms is in the older farming areas in the southern part of Syria around Damascus. Around Aleppo the farms are larger in size and owner-operators are fewer in number. 471 241

MECHANIZATION

Mechanization is changing rapidly the primitive practices which still dominate Syrian agriculture. The number of tractors has increased from 200 to almost 2,000 and more than 700 combines are in operation. 241 407

Most of the mechanical equipment is in the Jezira and the agricultural areas around Aleppo. Approximately half the tractors are being used in cotton areas.

To encourage further mechanization the government plans to extend loans to farmers on a five-year basis to finance the purchase of agricultural equipment. So far most of the equipment has been bought privately and for cash. [452]

The first few years have been difficult for the tractor farmers because of the lack of trained operators and the lack of adequate repair facilities, especially spare parts. Now the large manufacturers' agents are establishing modern service stations, repair stations, and mobile repair units. Consideration is even being given to organizing operator training programs.

RESEARCH AND EDUCATION

All of the agricultural missions stress the need for improvement in basic research and educational programs. The United States-Syria Agricultural Mission has outlined a complete program for agricultural training, research, and extension. Some of the recommendations already have been adopted, such as the establishment of a separate Department of Agriculture. Agricultural 654

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654 training schools have been placed under the department and their budget increased some four to five times. Staffs of the research institutions have been expanded and the over-all program coordinated. It should be emphasized that these programs still are in the early stages of development.

TECHNICAL ASSISTANCE

648 242 Syria is not eligible for Mutual Security aid and so far has not seen fit to accept Point Four assistance. The United Nations, being international in character, is permitted to operate, and the Food and Agriculture Organization has a fairly large staff and an extensive program concentrated in the fields of cotton, home economics, veterinary science, farm machinery maintenance, and forestry. An FAO pathologist is working on problems of cotton diseases and insect controls.

A special FAO cotton mission, under the direction of an outstanding cotton technician, Dr. M. A. El Kilany Bey, former Under Secretary of State of the Egyptian Ministry of Agriculture, last year made a detailed study of cotton production and marketing problems and submitted a list of specific recommendations to the government. The recommendations called for rigid controls over production by areas; sterilization and controlled distribution of planting seed; an improved insect control program, including mandatory use of insecticides and destruction of stalks; tighter control over ginning and distribution of the products; and improved classification. Most of these recommendations have been adopted.

One of the most effective foreign organizations working in the country is the Near East Foundation, a small philanthropic agency with headquarters

Roller gins like these in Aleppo, Syria, are rapidly being replaced by the faster and more efficient saw gins. However, total capacity of all roller gins in Syria is still double that of the saw gins.

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production, conserve water, concentrate cotton so as to facilitate insect control, and protect the cotton industry against the high costs and low prices that might result from over-extension of production. Farmers are required also to receive licenses to plant cotton from the local representatives of the Ministry of Agriculture and the Cotton Board.

The only marketing regulations issued to date require that all bales show the name of the ginner, the identity, and especially the moisture content of the cotton, which cannot be more than 9 per cent. If false claims are made, the government can take 30 per cent of the cotton as a penalty.

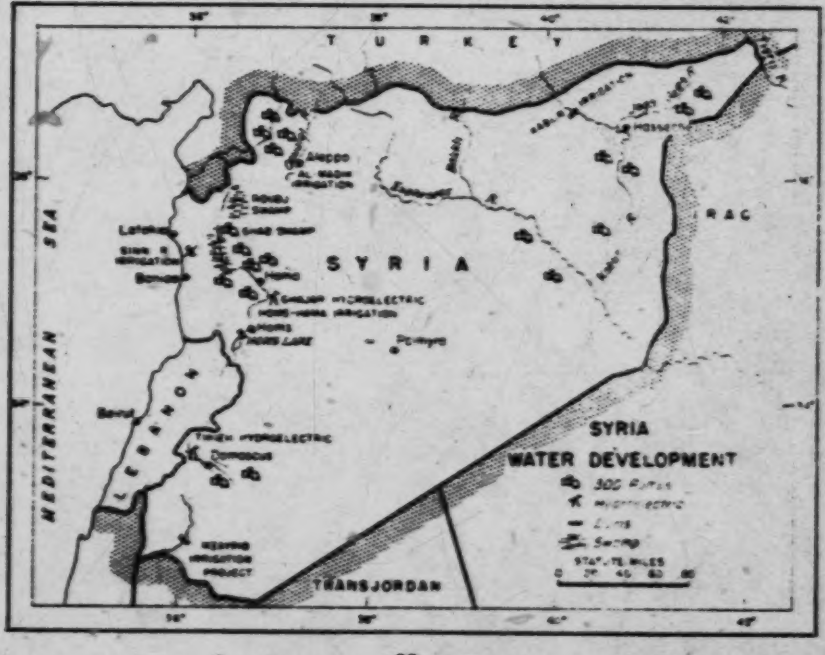
It is obvious that the enforcement of so many scientific regulations and controls over a large area is going to be difficult without a large force of trained technicians and police.

The Director General appreciates that without adequate trained personnel it is not possible to make the regulations completely effective overnight, but he hopes, through education, to obtain the compliance of the producers.

Ambitious research and education programs, another responsibility of the board, are still in the planning stage.

PROSPECTS

It appears unlikely to expect any significant expansion in production in Syria until yields can be stabilized. A start has been made, but a more intensive research and education program is required on cultural practices (particularly irrigation practices), mechanization, and especially insect control, before much improvement can be expected. Such efforts naturally take considerable time, even when funds and technical assistance are available. Both money and know-how are limited in Syria.



57:Davis S-4 (no date) 1953 M1 Middle East
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652 (2) The Chamber of Deputies shall elect the members of the Board of Auditors by an absolute majority of the Deputies present. If such a majority is not obtained, a relative majority shall be sufficient at the second ballot. The election shall be made from a list of candidates prepared by the office of the Chamber containing double the number of vacancies for the Board.

(3) This Board shall be attached directly to the Chamber of Deputies.

(4) The office of the Chamber of Deputies shall draft a bill determining the classification, prerogatives and immunities of the members of the Auditing Board as well as the method of auditing.

(5) The budget of the Board of Auditors shall be a part of the budget of the Chamber of Deputies.

Art. 148. The Chamber of Deputies may charge the Auditing Board with any audit of or studies concerning receipts and expenditure or the administration of the budget.

Art. 149. Once or more each year, the Government shall submit to the Chamber of Deputies a report on the financial situation of the State.

Art. 150. The monetary system shall be regulated by a law.

Chapter VIII

Economic Affairs

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654 Art. 151. The State shall supervise and organize the national economy in order to secure a high standard of living for the people by utilizing the land, promoting industry and trade and providing work for all citizens.

Art. 152. (1) There shall be established in the State a permanent Economic Council entrusted with the task of proposing economic plans and programs to develop the potentialities of the country in the various economic fields.

(2) The Council shall submit its reports and the results of its work to the Government and to the Chamber of Deputies.

(3) The number of the members of the Economic Council and the procedure for selecting them shall be determined by a law in such a way as to ensure the realization of its task.

Art. 153. Institutions enjoying financial and administrative inde-

57: Davis S-4 (no date)1953 Ml Middle East
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pendence may be created for the execution and administration of specific projects. This shall be in accordance with a law determining the number of the members of such institutions, the method of selecting them and supervising their work. 642 654

Art. 154. Funds which the Government may spend on irrigation and land development projects shall be repaid by those who benefit from them in such periods of time proportional to their financial ability as shall be defined by law.

Chapter IX

Amendment of the Constitution

Art. 155. (1) The President of the Republic, with the assent of the Council of Ministers, as well as the Deputies may request the amendment of one or more of the Articles of the Constitution provided: 642

(a) The request for amendment shall specify the Articles which it is desired to amend and the reasons for such amendment.

(b) If the request is submitted by Deputies, one-third or more of their total number must sign the application.

(c) The Chamber shall discuss the request for amendment which shall be adopted only when an absolute majority of the total number of Deputies vote in its favor. If rejected, such a rejection shall be considered final. A request to amend the same Articles again may not be presented within one year.

(d) If an absolute majority of the total number of Deputies approve of the request for amendment, such an approval shall be considered as a motion for amendment.

(e) Six months after the adoption of a motion of amendment, the Chamber of Deputies shall discuss the amendment proposed. The amendment shall be adopted and become effective if two-thirds of the total number of Deputies vote for it.

(2) The Deputies shall take a new oath of allegiance to the amended Constitution within two weeks of its adoption.

Chapter X

Transitory Provisions

Art. 156. This Constitution shall not be amended before two years of its execution.

of agriculture are the present forms of land tenure. The proportion of large- and small-scale proprietors is not accurately known, but at least one half of the total farm acreage is owned by wealthy, and often absentee, landlords, and worked according to the share-tenancy system. In many northern districts, particularly in Latakia and Al Jazira provinces, the proportion is probably closer to 70 to 80 per cent. Communal ownership by tribes or villages is also common in some areas. The constitution of Syria provides for the creation of a landowning peasantry through the redistribution and the sale of state lands, but as yet the percentage of independent farmers is relatively small. Many tenant families and agricultural laborers live at subsistence levels under conditions of extreme poverty. Within recent years attempts have been made to encourage the settlement of the Bedouin tribes. Some now live in permanent villages, where they combine cultivation of cereals with the raising of sheep, migrating seasonally with their flocks in search of pasturage.

Wheat is the principal crop. Barley, maize and other cereals are also grown, especially in the areas of Homs, Hama, Hauran and Al Jazira. Olives, fruits and vegetables are important products on the oasis around Damascus and in the coastal region. Cotton is cultivated in Latakia, Aleppo and Al Jazira provinces, while tobacco flourishes in some sections of Latakia. Other industrial crops include sugar cane, sugar beets, sesame, castor oil beans and hemp. Sheep and goats are abundant in all parts of the country, but cattle are found chiefly in the coastal highlands, on the Damascus oasis and in the Hauran region in the southwest. Limited programs for the improvement of methods of farming and animal husbandry are undertaken by the veterinary and the agricultural services of the government. Four agricultural schools are operated by the Ministry of Agriculture—near Latakia, Hama, Aleppo and Damascus. In the Damascus region, the Near East Foundation

63:Simmons et al G-5 (1941-1951) 1954
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bul to Baghdad. A railroad also runs from Beirut to Damascus via Rayak. A second line from Damascus to Amman and Ma'an, in Jordan, forms part of the so-called "pilgrim" railway, opened in 1904-06. Air services are available from Damascus and, to a lesser extent, from Aleppo to Beirut and Baghdad, thence to Europe, Africa and the Far East.

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Food and Nutrition

The nutritional standards of the people vary markedly in different regions, being highest in the vicinity of Damascus and lowest among the Alawites of Latakia province and the peasants of Hauran and Jebel ed Druz. Undernutrition is common, but generally it is more widespread in the rural villages than in the urban areas. Due to the lack of adequate storage and transportation facilities, local food shortages are frequent, particularly during poor crop years. Up to the present, there has been little organized effort to promote better nutrition among the different population groups. It is expected that such a program will be initiated by the nutrition division created within the governmental health services in 1952.

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Cereals constitute the staple foods, and, with certain root vegetables, contribute 70 to 80 per cent of the caloric content of the average diet. Breads prepared from wheat flour are consumed in all parts of the country. Barley is sometimes employed, while maize and sorghum millet are used in the southeast. Rice is universally popular: it is grown in the Al Jazira region, and large amounts are also imported. Broad beans, chick-peas and lentils are basic food items in most areas. Other vegetables, including onions, potatoes, beets, tomatoes, eggplant and the leafy spinach and French lettuce, are abundant in Damascus and Al Jazira provinces, but scarce in Hauran and Jebel ed Druz. Numerous fruits are consumed in season, but the supply is scanty in the Euphrates valley and in the southern provinces. Olives and olive oil are important among most population groups. Milk is

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433 The extension of cereal and cotton cultivation has been carried out by private enterprise. Most of the initial capital was provided by landlords, but merchants and banks soon started financing the crops; in 1951 it was estimated that some £S 200 million to £S 300 million had been required to finance the planting and moving of the cotton crop, of which all but £S 50 million came from outside agriculture. In recent years, the volume of advances granted and bills discounted by the principal banks rose by about £S 50 million between the seasonal low of July or August and the peak of the cotton season, in November. But the bulk of the capital needs are still supplied by non-banking sources. Private initiative also set up the 31 saw gins and 1,767 smaller gins which were operating in 1952 and which can handle about 300,000 tons of unginned cotton. It has been responsible for the introduction of the various types of American cotton seeds, of which the most widely used is the Lone Star variety, which produces cotton very similar to Egyptian Ashmuni. Private enterprise also took the lead in utilizing chemical fertilisers, imports of which increased from a negligible amount in 1950 to 5,000 tons in 1952, 11,000 in 1953 and 13,000 tons in the first nine months of 1954.

Another field in which private initiative has taken the lead is that of beet growing. The sugar refining company extended advances to growers, supplied them with free seeds and instruction, sold them fertilizers and offered them high prices for their output. By 1953, as a result, 4,500 hectares had been planted to beets, giving a crop of 60,000 tons; 1/ a crop of 80,000 tons was anticipated for 1954. 2/

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241 The Government has rendered valuable assistance to agriculture, especially to cotton growers. Following the very poor crop of 1951, when over-extension and pests combined to reduce cotton yields sharply, a Cotton Office was established in January 1952. On its staff it had Egyptian experts recruited directly by the Government or sent by the Food and Agriculture Organization of the United Nations. Several decree laws of 1952 fixed cotton acreage and subjected its cultivation to Government authorization; they limited the number of authorized varieties to six and forbade the mixing of varieties; regulated ginning, in order to disinfect, select and classify seeds; made obligatory the spraying of cotton plants with pesticides, which in case of negligence is to be carried out by the Government at the farmer's expense; set minimum standards and established grades for the classification of cotton. 3/ In 1953, the Government forbade the use of seeds not

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1/ Average yield of irrigated land is two to three tons per hectare, and of non-irrigated, 0.5 to 0.75.

2/ Information supplied by Ministry of National Economy. Output of fruits and vegetables has also increased in recent years, but little progress has been made in livestock breeding. An estimate of agricultural income in 1953 put the value of the wheat crop at £S 305 million (a figure based on an estimated production of 1,355,000 tons against a final estimate of 870,000 tons); of barley at £S 7 million; of cotton at £S 121 million; and of other crops at £S 200 million, giving a total of £S 633 million. Livestock and livestock products were put at £S 240 million (La Syrie économique, 1953).

3/ Etude spéciale sur le coton syrien.

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purchased from the Agricultural Bank. There is no doubt that these measures have helped to raise cotton yields and quality.

Some help has also been given to growers of cereals, by the importing and sale at half price of seed wheat from France and Italy; 1,300 tons were imported in 1953. The Government has set up five experiment stations, for fruits, cereals and cotton, has expanded agricultural education and has begun extension work among farmers.

The Government has also helped growers financially, by purchasing spraying equipment and pesticides, reselling them to farmers and advancing loans for the purchase of pesticides. The capital of the Agricultural Bank was raised from £S 5.8 million in 1940 to £S 7.2 million in 1945, and £S 21.6 million in 1953. Loans advanced by it increased from £S 268,000 in 1940 to £S 1.6 million in 1945, and £S 12.5 million in 1953. In 1953, the number of borrowers was 20,300 and the recovery rate was 93 per cent. The bank also made loans in kind - cotton and rice seeds, spraying equipment, pesticides, tractors, ploughs and pumps. 1/

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On the other hand, some government measures concerning marketing and exports have had adverse effects on growers. The Cereals Office's attempt to collect grain for the use of the urban population, at below market prices during the winter of 1951/52, following a very poor crop, led to hoarding, and wheat had to be imported at high prices. In 1952, the Government ordered growers to deliver to the Cereals Office one ton of wheat, at £S 250, for every two tons exported; this led to a rise in the export price to above the world level, hampering exports. In 1953, this arrangement was replaced by a lower export tax on wheat and barley. It would appear that these taxes were borne by growers, not by merchants or foreign consumers, and hence that they constituted a subsidy from rural areas to the towns. With the fall in world prices of wheat, the Government abolished the taxes in May 1954. Similarly, it would seem as though the tax on cotton exports introduced in 1952 has been shifted to growers.

Industry

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The rapid post-war industrial growth was chiefly due to private initiative but much government protection and some financial assistance were required by several industries. Most of the new capital was provided by merchants, but there was also an appreciable amount of reinvestment of industrial profits.

1/ Statistical Abstract and la Syrie économique, 1953. In 1953, the bank was authorised to make loans against warehouse receipts issued by the Cereals Office for barley and wheat delivered to it. A rate of 6 per cent is charged on these and all other loans.

311 by planting forage crops, and by increasing the use of fertilizers and improved seeds. 1/ The Government is planning to increase its distribution of selected wheat and other seeds, to expand its agricultural schools and its student missions to foreign universities, and to intensify the activity of its experimental stations and its extension services.

654 241 Among the obstacles to expansion of output are high production costs, owing to shortage of labour in certain areas and to high fuel prices and maintenance charges for machinery, and also high transport costs. 2/ Various measures are being taken to improve communications, provide storage and reduce the purchase and operating costs of agricultural machinery. 3/

241 423 Another great obstacle to agricultural development is the system of land tenure. In 1947 it was officially estimated that of 6.1 million hectares of privately owned land, 38 per cent was in holdings of over 100 hectares, 43 per cent in holdings of 10 to 99 hectares and 19 per cent in holdings of under 10 hectares. 4/ The greater part of large holdings is rented on short leases to sharecroppers, whose poverty and insecurity make it difficult for them to improve methods and increase output. The Government is preparing a law regulating relations between landlords and tenants and between farmers and labourers. 5/ In 1952 and 1953 decrees were passed regarding the distribution of lands in the State domain to cultivators with small farms and the expropriation of occupied areas on such land in excess of a certain figure. 6/ This land was to be available for cultivation by farmers, in lots of 10 hectares of irrigated or 50 hectares of non-irrigated land, on very generous terms. A start has been made in distributing land in El Jezira to landless farmers and nomads; by March 1954 some 25,000 hectares had been distributed.

1/ It is estimated that the yield of wheat could be fairly easily raised by 60 to 70 per cent and that of barley by 50 to 60 per cent. The discrepancy between the average yield of olives, 20 kilogrammes per tree, and that of high yielding trees, 50 to 60 kilogrammes, also points to possibilities in that field; it is, moreover, believed that the average oil content of olives could be raised from 11.5 per cent to 15 per cent (unpublished study by the Ministry of National Economy).

2/ In 1953, transport costs of a ton of barley from El Jezira to Latakia were £S 50, a figure equal to the cost of production. High transport costs also greatly raise the price of petroleum products used in agriculture.

3/ Ministry of Agriculture, "A Report on the Development of Agricultural Production and Marketing in Syria" (mimeographed document, Damascus, 1954).

4/ By the end of 1954 half the area of Syria had been surveyed; the corresponding figures within that area were 49 per cent, 38 per cent and 13 per cent. Conditions vary greatly: in Damascus, Latakia, Jebal Druze and Hauran provinces, small and medium properties prevail; in the Aleppo, Homs, Hama, Jezira and Euphrates provinces large properties and State domain account for the greater part of the land.

5/ Ministry of Agriculture, op cit.

6/ This was fixed, in the 1952 decree, at 150 hectares in the Jezira, Euphrates and desert areas and 50 hectares in other parts of Syria. In 1953 the limit was raised to 200 hectares, irrespective of location.